

6th Annual Report
1997-98

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SEI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



NDA SECURITIES LIMITED

MEMBER



N D A

GROUP
BOARD OF DIRECTORS

SH. N. D. AGARWAL
Chairman & Managing Director

SH. SANJAY AGARWAL
Whole Time Director

SH. O . M. AGARWAL
SH. CHARANJIT SINGH
Directors

REGISTERED OFFICE

814, Arunachal, 19, Barakhamba Road
New Delhi-110001

BOMBAY OFFICE

21, Prospects Chambers Annexe
Dr. D. N. Road, Fort, Bombay-400001

COMPANY SECRETARY

SH. N. E. VENKATESAN

AUDITORS

SUBHASH C. GUPTA & ASSOCIATES
Chartered Accountants

BANKERS

CITY BANK N. A.
BANK OF AMERICA
CANARA BANK
HDFC BANK

Contents	Page No.
NOTICE	1
DIRECTORS' REPORT	3
AUDITORS' REPORT	5
BALANCE SHEET	7
PROFIT & LOSS ACCOUNT	8
SCHEDULES	9
NOTES TO THE ACCOUNTS	13
ANNUAL REPORT OF SUBSIDIARY COMPANIES	18

NDA SECURITIES LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF NDA SECURITIES LIMITED WILL BE HELD ON FRIDAY, 18TH SEPTEMBER, 1998 AT 4.30 PM AT SHREE DELHI GUJARATI SAMAJ, 2 RAJNIWAS MARG, CIVIL LINES, DELHI-110054 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1998 and the Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. N. D. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General meeting until the conclusion of next Annual General Meeting of the Company to and fix their remuneration.

M/s Subhash C. Gupta & Associates, Chartered Accountants, are the retiring Auditors and being eligible, have offered themselves for re-appointment.

SPECIAL BUSINESS

4. To approve the reduction in the remuneration of Mr. Sanjay Agarwal, Whole Time Director to Rs.25,000/- effective from 01.12.1997 and pass the following ordinary resolution with or without modification:-

RESOLVED that the salary of Mr. Sanjay Agarwal, Whole Time Director be reduced to Rs.25,000/- per month with effect from 01.12.1997 as recommended by the Board of Directors till his tenure upto 30.06.2001 and Mr. Sanjay Agarwal be permitted the use of furniture including Air Conditioners and Computers, valued at Rs.2 Lacs, subject to the other terms and conditions of his appointment vide AGM resolution dated 4th September, 1996.

Regd. Office:
814, Arunachal
19, Barakhamba Road
New Delhi-110001
DATE: 31st July, 1998

By order of the Board

(N.E.VENKATESAN)

COMPANY SECRETARY

NOTES

1. A member who is entitled to attend & vote at the meeting is entitled to appoint a proxy to attend & on a poll only to vote instead of him. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A blank form of proxy is enclosed.
2. The Register of members and the Share transfer books of the Company will remain closed from Monday, 14th September, 1998 to Friday, 18th September, 1998 (both days inclusive).
3. Members are advised that no gift/gift coupons will be distributed at the Annual General Meeting of the Company.
4. Members/Proxies should bring the attendance slip sent herewith, duly filled in and signed and handover the same at the entrance of the hall.
5. Members may note that the copies of Annual Report will not be provided at the meeting.
6. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Company's Share Department enclosing their share certificates to enable the Company to consolidate their holding in one folio.

Regd. Office:
814, Arunachal
19, Barakhamba Road
New Delhi-110001
DATE: 31st July, 1998

By order of the Board

(N.E.VENKATESAN)
COMPANY SECRETARY

MEMBER

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956.**

Mr. Sanjay Agarwal was appointed whole time director an a salary of Rs.40,000/- per month w.e.f. 01.07.1996 vide Board Resolution at its meeting held on 28.06.1996 as approved by the AGM at its meeting held on 04.09.1996.

At the Board meeting held on 29.11.1997, the Directors decided to reduce, Shri Sanjay Agarwal remuneration to Rs.25,000/- p.m. in view of the continued losses with the consent of Shri Sanjay Agarwal as per resolution reproduced and to have the use of the company's furniture, Air conditioners and Computers etc. value Rs.2 Lacs at his residence.

Mr. Sanjay Agarwal is interested in the Resolution to the extent of his appointment as Whole time Director. Mr. N.D.Agarwal is interested to the extent of his relationship with Mr. Sanjay Agarwal.

The relevant resolution of the Board at its meeting held on 29.11.1997 for reduction in the salary are reproduced at below:

REDUCTION IN SALARY OF MR. SANJAY AGARWAL, WHOLETEIME DIRECTOR:

RESOLVED THAT in modification of the resolution passed by the Board of Directors in their meeting held on 28th June, 1996, Mr. Sanjay Agarwal, Wholetime Director will receive monthly salary of Rs.25,000/- (Rupees Twenty Five Thousand only) instead of Rs.40,000/- per month w.e.f. 1st December, 1997 till his tenure upto 30th June, 2001.

None of the Directors of the company are interested or concerned in this resolution except Mr. Sanjay Agarwal himself and Mr. N.D.Agarwal being relative.

AUTHORISATION TO MR. SANJAY AGARWAL FOR USING COMPANY'S FURNITURE ETC. COSTING UPTO RS.2 LACS AT HIS RESIDENCE:

RESOLVED THAT Mr. Sanjay Agarwal, Wholetime Director be provided Company's surplus Furniture including Air Conditioners and Computers etc. costing upto Rs.2 Lacs at his residence for personal use.

None of the Directors of the company are interested or concerned in this resolution except Mr. Sanjay Agarwal himself and Mr. N.D.Agarwal being relative.

NDA SECURITIES LTD.

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Sixth Annual Report alongwith the Audited Accounts for the year ended on March 31, 1998.

FINANCIAL RESULTS

The financial results for the year ended on March 31, 1998 are as under :

	For the Year Ended 31.03.1998	(Rs. in Lakhs) For the Year Ended 31.03.1997
Income from Operations	81.20	49.43
Other Income	8.73	12.14
Total Income	89.93	61.57
Total Expenditure	104.45	119.03
Interest	19.65	39.51
Gross Profit/(Loss) after		
Interest but before depreciation & tax	(34.17)	(96.97)
Depreciation	5.58	5.67
Profit/(Loss) before Tax	(39.75)	(102.64)
Provision for Tax	—	—
Net Profit	(39.75)	(102.64)
Paid up equity capital	509.22	509.22
Reserve	—	—

COMPANY'S PERFORMANCE

There was an improvement in working of the company and net loss was reduced to 39.75 lacs which was nearly 60% less than in the previous year.

This result was achieved on operational Income of 81 lacs which was 60% more than in the Previous year. The loss could have been reduced but for the fact that expenses at 104.45 lacs was just 14% less than in the previous year.

MERCHANT BANKING AND UNDERWRITING

The company has discontinued operations in this department, and the licence which expired in December, 1997 has not been renewed.

OPERATIONS AT NATIONAL STOCK EXCHANGE

The Company continues to be an active member of National Stock Exchange.

MEMBERSHIP OF OTC EXCHANGE OF INDIA

There was no business in this segment by the company.

PROSPECTS OF CURRENT YEAR

As would be seen from the review of the Company's performance for the year ended 31.03.1998, Prospects of a reasonable Profit in the current year can be rated high. Further if the Government of India goes ahead with its PSU disinvestment programme, The Primary Market will get a shot in the arm. The secondary market should show recovery. The capital market is also looking up. The Company is hopeful to increase its business volume and its profitability during the current year.

The efforts to prune expenses are still continuing as a result of which the quarterly unaudited results for quarter ended 30.06.1998 has shown net income of Rs.9.14 lacs.

DIRECTORS

Mr. Arun Agarwal and Mr. Bhim Sain, resigned from the Board w.e.f. 08.12.1997 and 31.07.1998 respectively for personnel reasons. The Board accepted the resignations and placed on record their appreciation for the valuable services rendered by Mr. Arun Agarwal & Mr. Bhim Sain during their tenure. The Board of Directors in their meeting held on 31st July, 1998 has admitted Mr. O M Agarwal as Director, To fill the casual vacancy caused by resignation of Mr. Bhim Sain.

Mr. N. D. Agarwal retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

AUDITORS

The Company's Auditors, M/s. Subhash C. Gupta & Associates, Chartered Accountants, Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. A certificate has been received from the auditors of the Company under section 224(1) of the Companies Act, 1956, to the effect that their re-appointment will be in accordance with the limits specified in sub-section (1B) of Section 224.

PARTICULARS OF EMPLOYEES

The particulars of employees covered under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are as under.

Name	Designation/ Nature of Duties	Remuneration	Qualification	Experience	Date of Commence ment of employment	Age	Last Employment & Position Held	Nature of Employment
*Mr. Sarjay Agarwal	Whole-Time Director	4,20,000	B.Com (Hons.)	7 Years	01.07.1996 Years	29	Proprietor M/s Sanjay Agarwal & Co.	Business

OTHER PARTICULARS

The provisions relating to the conservation of energy and technology absorption as required to be disclosed by section 217 (1) (e) of the Companies Act, 1956 do not apply to the Company. The Company had no foreign Exchange earning/outgo during the year under review.

SUBSIDIARY COMPANIES

The audited statements of account of NDA Finance Private Limited alongwith the reports of Directors and Auditors for the year ended 31st March, 1998 and the statement as required under Section 212 of the Companies Act, 1956 are attached.

The audited statements of account of NDA Share Brokers Limited alongwith the reports of Directors and Auditors for the year ended 31st March, 1998 and the statement as required under Section 212 of the Companies Act, 1956 are attached.

FIXED DEPOSIT

During the year under review, aggregate amount of deposits accepted during the year was Rs.33.76 lacs. There was neither any unclaimed nor overdue amount of any such deposit at the year end.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the co-operation and support extended by the Bankers, Share Holders & members of the staff at all levels.

For and on behalf of the Board

Place : New Delhi
Date : 31.07.1998

(N.D. AGARWAL)
CHAIRMAN & MANAGING DIRECTOR

NDA SECURITIES LTD.

AUDITORS' REPORT

To The Members of NDA SECURITIES LIMITED.

We have audited the attached Balance Sheet of NDA SECURITIES LIMITED as at 31st March, 1998 and the Profit and Loss Account for the Year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors Report) Order 1988, issued by the Company Law Board in term of section 227(4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in Paragraphs 4 & 5 of the said Order, to the extent applicable to the Company.
2. Further to our comments in the annexure referred to in paragraph 1 above :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books.
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the significant accounting policies and notes to accounts thereon given in schedule no.14, give the information required by the Companies act, 1956 in the manner so required and give a true and fair view:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998 and
 - ii) In the case of Profit and Loss Account, the Loss for the Year ended on that date.

For SUBHASH C. GUPTA & ASSOCIATES
Chartered Accountants

(S. C. GUPTA)
PARTNER

NEW DELHI, JULY 31, 1998

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE REPORT OF EVEN DATE TO THE MEMBERS OF NDA SECURITIES LIMITED FOR THE YEAR ENDED 31ST MARCH, 1998

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. During the year, all the fixed assets have been physically verified by the management. No major discrepancies were noticed on verification. In our opinion and according to information and explanations given to us, the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets.
2. None of the fixed assets have been revalued during the year.
3. The stock of shares and debentures have been physically verified by the management at the reasonable intervals during the year under audit. No major discrepancies were noticed on physical verification of shares and securities as compared to the book records. In our opinion and according to the information and explanation given to us, the procedure of physical verification of share and securities followed by the management is reasonable, proper and adequate in relation to the nature of its business and accounting principles.

MEMBER



N D A

GROUP

4. In our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken from the Companies, *prima facie*, not prejudicial to the interest of the Company. According to the information and explanations given to us, The Company has not taken any secured or unsecured loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 nor from the companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
5. The Company has not granted any secured or unsecured loans to companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956 and or to Companies under the same management as defined under Sub-Section (1B) of Section 370 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the Company and nature of its business with regards purchases of shares, office equipments and other assets and with regards to the sale of shares and securities.
7. In our opinion and according to the information and explanation given to us, transactions of purchases and sales of shares in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, aggregating during the year to Rs.50000/- or more in respect of each party has been made at rates which are reasonable having regard to a prevailing market rates for such shares and securities on the prices at which transactions for similar goods of shares have been made with other parties.
8. In our opinion and according to the information and explanations given to us, the Company has complied with the directions issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder, with regard to deposits accepted from the public.
9. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
10. According to the records of the Company, Provident Fund dues have been regularly deposited during the year with the appropriate authorities. As explained to us, the provisions of Employees State insurance Act, 1948 are not applicable to the Company.
11. According to the information and explanations given to us, no undisputed amounts are payable in respect of Income Tax and Sales Tax or Other Government which have remained outstanding as at 31st March, 1998 for period of more than six months from the date they became payable.
12. According to the explanations given to us, no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
13. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other similar securities.
14. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benifit Society do not apply to the Company.
15. The Company has maintained proper records of transactions and contracts in respect of trading in shares, debentures and other securities and timely entries have been made therein.

For SUBHASH C. GUPTA & ASSOCIATES
Chartered Accountants

(S. C. GUPTA)
PARTNER

NEW DELHI, JULY 31, 1998

NDA SECURITIES LTD.

BALANCE SHEET AS AT 31ST MARCH, 1998

	Schedules	As at 31st March, 1998 (Rs.)	As at 31st March, 1997 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	50,922,000	50,922,000
Reserves & Surplus	2	—	—
		<u>50,922,000</u>	<u>50,922,000</u>
Loan Funds			
Secured	3	—	97,676
Unsecured	4	3,376,150	13,920,145
Total		<u>54,298,150</u>	<u>64,939,821</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	5	4,769,242	4,713,450
Less: Depreciation		<u>1,675,073</u>	<u>1,124,338</u>
Net block		3,094,169	3,589,112
Investments			
	6	24,185,095	35,315,212
Current Assets, Deposits & Advances			
Current Assets	7	23,870,100	29,229,219
Deposits & Advances	8	<u>6,407,437</u>	<u>9,554,828</u>
		<u>30,277,537</u>	<u>38,784,047</u>
Less : Current Liabilities & Provisions			
Current Liabilities	9	<u>10,609,409</u>	<u>16,503,705</u>
Net Current Assets		<u>19,668,128</u>	<u>22,280,342</u>
Miscellaneous Expenditures:			
(To the extent not written off or adjusted)	10	2,279,662	2,659,106
Profit and Loss account	2	<u>5,071,096</u>	<u>1,096,049</u>
Total		<u>54,298,150</u>	<u>64,939,821</u>
Notes to Accounts			
	14		

As per our report attached

For and on behalf of Board

For **SUBHASH C. GUPTA & ASSOCIATES**
Chartered Accountants

Sd/-
(S.C.GUPTA)
PARTNER

Sd/-
(N.D.AGARWAL)
CHAIRMAN & MANAGING DIRECTOR

Sd/-
(SANJAY AGARWAL)
WHOLE TIME DIRECTOR

Sd/-
(U.S. GUPTA)
FINANCE MANAGER

NEW DELHI, JULY 31, 1998

MEMBER



N D A

GROUP
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 1998

	Schedules	Year Ended 31st March, 1998 (Rs.)	Year Ended 31st March, 1997 (Rs.)
INCOME			
Income from operations	11	8,119,329	4,943,367
Other Income	12	873,188	1,213,837
		<u>8,992,517</u>	<u>6,157,204</u>
EXPENDITURES			
Administrative & Other expenses	13	12,030,395	15,474,376
Miscellaneous expenses written off		379,444	379,444
Depreciation		557,725	567,008
		<u>12,967,564</u>	<u>16,420,828</u>
PROFIT/(LOSS) BEFORE TAXATION		(-) 3,975,047	(-) 10,263,624
Provision for Income Tax		—	—
PROFIT/(LOSS) AFTER TAX		(-) 3,975,047	(-) 10,263,624
Excess OTCEI Deferred expenses for earlier years written back		—	400,000
Balance brought forward from last year		(-) 3,371,580	6,492,044
AVAILABLE FOR APPROPRIATION		<u>(-) 7,346,627</u>	<u>(-) 3,371,580</u>
APPROPRIATION			
Proposed Dividend		—	—
Balance carried to Balance Sheet		(-) 7,346,627	(-) 3,371,580
		<u>(-) 7,346,627</u>	<u>(-) 3,371,580</u>
Notes to Accounts	14		

As per our report attached

For and on behalf of Board

For **SUBHASH C. GUPTA & ASSOCIATES**
Chartered Accountants

Sd/-
(S.C.GUPTA)
PARTNER

Sd/-
(N.D.AGARWAL)
CHAIRMAN & MANAGING DIRECTOR

Sd/-
(SANJAY AGARWAL)
WHOLE TIME DIRECTOR

NEW DELHI, JULY 31, 1998

Sd/-
(U.S. GUPTA)
FINANCE MANAGER