

*8th Annual Report*  
1999-2000



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**NDA SECURITIES LIMITED**



## BOARD OF DIRECTORS

SH. N.D. AGARWAL  
Chairman & Managing Director

SH. SNAJAY AGARWAL  
Whole Time Director

SH. O.M. AGARWAL  
SH. CHARANJEET SINGH  
Directors

## REGISTERED OFFICE

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

## BOMBAY OFFICE

21, Prospects Chambers Annexe  
Dr. D.N. Road, Fort, Mumbai-400 001

## AUDITORS

SUBHASH C. GUPTA & ASSOCIATES  
Chartered Accountants

## BANKERS

HDFC BANK  
PUNJAB & SIND BANK  
ABN AMRO  
CANARA BANK  
CITY BANK N.A.

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## NDA SECURITIES LTD.

### NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF NDA SECURITIES LIMITED WILL BE HELD ON WEDNESDAY, 6TH SEPTEMBER, 2000 AT 4.30 PM AT AGGARWAL DHARAMSHALA, 4743-44, HARIDHAYAN SINGH ROAD, KAROL BAGH, NEW DELHI-110005 TO TRANSACT THE FOLLOWING BUSINESS.

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 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. O.M.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 and to authorise the Board of Directors to 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 consider and if thought fit, to pass the following resolution, with or without modification(s), as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 316 and 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the terms of appointment of Shri N D Agarwal, who has been re-appointed by the Board of Directors of the Company as the Managing Director of the Company w.e.f. 02/09/1999 for a period of five years upon the terms and conditions as set out in the Appointment Letter dated 30.08.1999.

RESOLVED FURTHER that no remuneration be paid to Shri N.D.Agarwal for his services as the Managing Director of the company.

RESOLVED FURTHER that the Managing Director shall not, while he continues to hold office, be subject to retirement by rotation.

RESOLVED FURTHER that the Board of Director of the Company be and are hereby authorised to vary and/or alter and/or modify the terms and conditions of appointment of Shri N D Agarwal as the Managing Director of the company in accordance with the changes that may be effected from time to time in Schedule XIII of the Companies Act, 1956, if any, any amendments and/or modification(s) including any guidelines or modifications thereof as may be made by the Central Government from time to time.

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a special resolution:-

RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the company be altered in the following manner :

The following new Article 49A be inserted after the existing Article 49.

#### 49A DEMATERIALISATION OF SECURITIES

##### a) Definitions

###### *For the purpose of this Article*

"Member", in respect of dematerialised shares, means the beneficial owner thereof i.e. the person whose name is recorded as a beneficial owner in the Register maintained by a Depository under the Depositories Act, 1996 and in respect of other shares, the person whose name is duly registered as a holder of a share in the company from time to time and includes the subscribers to the Memorandum of Association;

"Beneficial Owner" means a person whose name is recorded as such with a depository;

"SEBI" means the Securities and Exchange Board of India;

"Depository" means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

"Security " means such security as may be specified by SEBI from time to time.

##### b) Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

##### c) Options for Investors

- (i) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.
- (ii) If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and, on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the securities.

##### d) Securities in Depositories to be in fungible form

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

##### e) Rights of Depositories and Beneficial owners

- (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (i) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

## NDA SECURITIES LTD.

**f) Service of Documents**

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by the such depository on the Company by means of electronic mode or by delivery of floppies or discs.

**g) Transfer of Securities**

Nothing contained in Section 108 of the Act, or these Articles, shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

**h) Allotment of Securities Dealt with by a Depository**

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to depository immediately on allotment of such securities.

**i) Distinctive numbers of securities held in a Depository**

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held in a depository.

**j) Register and Index of Beneficial owners**

The register and index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and index of Members and Security holders for the purposes of these Articles.

**k) Company to recognise the rights of Registered Holders as also the Beneficial Owners in the records of the Depository.**

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

**6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

"Resolved that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in and to the extent following:

The following new Articles 49B and 49C be inserted after the Article 49A:

**Nomination 49B**

- a. Every holder of share(s) in, and/or debenture(s) of, the company, so entitled under the Act and Rules framed thereunder, may at any time, nominate, in the manner prescribed under the Act, a person to whom his share(s) in, and/or debenture(s) of the Company, shall vest in the event of his death.

- b. Where the share(s) in, and/or debenture(s) of, the Company, are held by more than one person jointly, the joint holders so entitled under the Act and Rules framed thereunder, may, together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.
- c. Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in, and/or debenture(s) of, the company, the nominee shall, on the death the shareholder and/or debenture holder concerned or on the death of all the joint holders, as the case may be, become entitled to all the rights in relation to such share(s) and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.
- d. Where the nominee is a minor, the holder of the share(s) in, and/or debenture(s) of, the company, can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in, and/or debenture(s) of, the Company, in the event of his death, during the minority.

#### TRANSMISSION ARTICLES IN CASE OF NOMINATION-49C

- a. Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 49B upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect either:-
  - i. to be registered himself as holder of the share(s) and/or debenture(s) as the case may be; or
  - ii. to make such transfer to the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debentureholder, as the case may be, could have made.
- b. If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) and/or debenture(s), as the case may be, he shall deliver or send to the Company, a notice in writing duly signed by him stating that he so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder and/or debentureholder, as the case may be.
- c. All the limitations, restrictions and provisions of these Articles, relating to the right to transfer and the registration of transfers of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debentureholder had not occurred and the notice or transfer were signed by that shareholder and/or debentureholder, as the case may be.
- d. A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not before being registered a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

## NDA SECURITIES LTD.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, or other moneys payable in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with.

### NOTES:

1. A relevant Explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL ONLY TO VOTE INSTEAD OF HIMSELF. 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.
3. The Register of members and the Share transfer books of the Company will remain closed from Thursday, 31st August, 2000 to Wednesday, 6th September, 2000 (both days inclusive).
4. Members are advised that no gift/gift coupons will be distributed at the Annual General Meeting of the Company.
5. Members/Proxies should bring the attendance slip sent herewith, duly filled in and signed and handover the same at the entrance of the hall.
6. Shareholders are requested to bring their copies of the Annual Report for the meeting.
7. Members are further requested to notify any change in their address alongwith Pin Code quoting their folio number.
8. As per SEBI mandate the shares of your company will be traded only in demat form w.e.f. 30/10/2000. Members are therefore requested to complete all the formalities for conversion of their shares from physical form into demat form.

Regd. Office:  
813, Arunachal  
19, Barakhamba Road  
New Delhi-110001

By order of the Board  
for NDA Securities Limited

Sd/-  
(SANJAY AGARWAL)  
WHOLE TIME DIRECTOR

DATE: 17TH JULY, 2000

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO.4

Shri N D Agarwal whose term expired on 1st September, 1999 was re-appointed as the Managing Director of your company by the Board of Directors in its meeting held on 30th August, 1999, for a period of Five Years commencing from 2nd September, 1999.

Shri N D Agarwal has a rich and vast experience of about 20 years in primary and secondary market operations. He was previously a member of the Delhi Stock Exchange in the name and style of N.D. Agarwal & Co., which he has transferred in favour of NDA Share Brokers Ltd., He is also the main promoter of your company. Under



MEMBER


 N D A  
GROUP

his leadership, the company has made a steady progress. The Board considers that his appointment as Managing Director will be beneficial to the Company. Since the company's paid up capital is Rs.5.09 Crores there is a requirement of a Managing Director.

He is not charging any remuneration from the company for his services as the Managing Director of the company, because he is also holding the position of Managing Director in NDA Share Brokers Limited, a subsidiary of your company. He is not liable for retirement by rotation while he continues to hold the office of Managing Director of the company.

The appointment Letter dated 30.08.1999 issued to Sh. N.D.Agarwal is available for inspection at the Registered office of the Company during 10.00 a.m. to 12 noon on any working days, except Saturday.

None of the Directors of the Company is interested or concerned in this resolution except Shri ND Agarwal himself, Shri Sanjay Agarwal being his relative.

In terms of the provisions of schedule XIII of the Companies Act, 1956 the appointment of the Managing Director is subject to the approval of Shareholders in the General Meeting.

The Directors recommend this resolution for your approval.

This Explanation together with the accompanying notice is and should be treated as an abstract of the terms of appointment of the Managing Director under Section 302 of the Companies Act, 1956.

#### ITEM : 5

Consequent to the passing of Depository Act, 1996, the Securities and Exchange Board of India (hereinafter referred as SEBI) introduced the Depository System in 1996 to facilitate scripless trading of securities. As per SEBI Directive, the shares of your company will be traded in Dematerialized Form, w.e.f 30th October, 2000. The system offers wide range of advantages both to the investors as well as to the company. Hence it is proposed to amend the Articles of Association of the Company to incorporate the enabling provisions.

The Directors recommend this resolution for approval of Members as Special Resolution.

None of the Directors are concerned or interested in this resolution, Except to the extent of their shareholding

#### ITEM NO.6

As per the amendments to the Companies Act, 1956, new Sections 109A and 109B were inserted to provide that, every holder of shares or debentures of the Company may at any time nominate in the prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death. It is proposed to alter the Articles of Association of the Company by inserting new Articles 49B and 49C to give effect to the said provisions.

The Special Resolution at Item No.6 is proposed pursuant to Section 31 of the Companies Act, 1956. The Directors recommend the resolution for approval of the Shareholders.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alteration will be available for inspection by the Shareholders at the Registered Office of the Company between 10.00 a.m and 12.00 Noon on any working day except Saturday.

None of the Directors of the Company is concerned or interested in the Special Resolution, except to the extent of their Shareholding.

Regd. Office:  
813, Arunachal  
19, Barakhamba Road  
New Delhi-110001

DATE: 17TH JULY, 2000

By order of the Board  
for NDA Securities Limited

Sd/-  
(SANJAY AGARWAL)  
WHOLE TIME DIRECTOR



**NDA SECURITIES LTD.****DIRECTORS' REPORT****To the Members**

Your Directors have pleasure in presenting the Eighth Annual Report alongwith the Audited Accounts for the year ended on March 31, 2000.

**FINANCIAL RESULTS**

The financial results for the year ended on March 31, 2000 are as under:

	Year Ended 31.03.2000	(Rs. in Lakhs) Year Ended 31.03.1999
Income from Operations	206.02	90.94
Other Income	5.08	3.92
Total Income	211.10	94.86
Total Expenditure	104.65	71.57
Interest	5.23	7.46
Gross Profit/(Loss) after Interest but before depreciation & tax	101.22	15.83
Depreciation	5.10	5.56
Profit/(Loss) before Tax	96.12	10.27
Provision for Tax	11.61	—
Net Profit	84.51	10.27
Paid up equity capital	509.22	509.22
Reserve	44.07	—

**COMPANY'S PERFORMANCE**

There was substantial improvement in working of the company during the year ended 31/03/2000. The company earned gross profit of Rs.101.22 Lacs and net profit of Rs.84.51 Lacs during the year against Rs.15.83 Lacs and Rs.10.27 Lacs respectively in the previous year.

**DIVIDEND**

Due to accumulated losses of earlier years, your Directors have not recommended any dividend for the year ended 31/03/2000.

**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**

The Business of your company depends upon health of Capital Market. Your company expects to maintain its performance during the current year depending upon the improvement in the Capital Market.

**DIRECTORS**

Shri N D Agarwal was re-appointed as Managing Director of the company by the Board of Directors on 30th August, 1999 for five years commencing from September 2, 1999, subject to approval of Shareholders in General meeting. He is also the Managing Director of NDA Share Brokers Ltd., a subsidiary of your company. He has offered his services as Managing Director of your company without charging any remuneration.

Mr. O M Aggarwal 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.

**Y2K**

Your company achieved smooth transition in the year 2000 without any adverse effect on its business operations.

**PARTICULARS OF EMPLOYEES**

No employee is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**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 Share Brokers Limited and NDA Finance Private Limited alongwith the reports of Directors and Auditors for the year ended 31st March, 2000 and the statement as required under Section 212 of the Companies Act, 1956 are attached.

**FIXED DEPOSIT**

The company has neither accepted fresh Fixed deposit nor renewed any Fixed Deposit during the year ended 31/03/2000.

**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 : 17TH JULY.2000

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