

For NDA Securities Limited

G. Anand
Company Secretary

10th Annual Report 2001-2002



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NDA SECURITIES LIMITED

BOARD OF DIRECTORS

SH. N. D. AGARWAL
Chairman & Managing Director

SH. U. S. GUPTA
Director

SH. G. S. AGRAWAL
Wholtime Director
& Company Secretary

COMPANY SECRETARY

SH. G. S. AGRAWAL

REGISTERED OFFICE

1002-A, Arunachal, 19, Barakhamba Road,
New Delhi-110001

MUMBAI 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
CITY BANK N. A.

Contents	Page No.
NOTICE	1
DIRECTORS' REPORT	4
AUDITORS' REPORT	7
BALANCE SHEET	10
PROFIT & LOSS ACCOUNT	11
SCHEDULES	12
NOTES TO THE ACCOUNTS	16
CONSOLIDATED FINANCIAL STATEMENTS	23
ANNUAL REPORT OF SUBSIDIARY COMPANIES	34

NDA SECURITIES LTD.**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF NDA SECURITIES LIMITED WILL BE HELD ON THURSDAY, 5TH SEPTEMBER, 2002 AT 4.30 P.M AT AGGARWAL DHARAMSHALA, 4743-44, HARDHAYAN SINGH ROAD, KAROL BAGH, NEW DELHI-110005 TO TRANSACT THE FOLLOWING BUSINESS.

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2002 and the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. U S Gupta who retires by rotation and is eligible 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.
4. To appoint a Director in place of Mr. G S Agrawal, who was appointed as a Director in a casual vacancy w.e.f. 5th September, 2001 and who holds office upto the date of the ensuring Annual General Meeting of the company, and is eligible for re-appointment and in respect of whom the company has received a notice in writing from a member under the provisions of section 257 of the companies Act, 1956, Proposing his candidature for the office of Director.
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 the provisions of sections 198, 269, 309 and 314 read with Schedule XIII of the Act and other applicable provisions, if any, of the Companies Act, 1956, (including any Statutory modification or re-enactment thereof, for the time being in force) and subject to such other approvals, if and as may be required, the company hereby approves the appointment of Mr. G S Agrawal as a whole time Director of the company for a period of two years w.e.f. 05/09/2001 on the following terms and conditions,

1. **PERIOD OF APPOINTMENT :** 2 years from 05/09/2001

2. **SALARY :**

Basic salary : Rs.18,000/- p.m. with such annual increments in the salary as the Board of Directors may decide.

3. **PERQUISITES:**

Within the overall ceiling of Rs.7,000/- per month and subject to the limits as may be determined, he would be entitled to the Perquisites like, Bonus, Gratuity, Leave Encashment, Conveyance reimbursement and such other Perquisites whether or not the same being specified and in such form or manner as may be decided.

4. **MINIMUM REMUNERATION:**

Notwithstanding anything contained herein above the company in case of no profits or inadequate profits in any financial year during the tenure of the Director, be entitled to pay the salary and perquisites as mentioned above, subject to the limits specified in the Schedule XIII of the Act.

5. DETERMINATION OF THE CONTRACT:

The term of contract between the Director and the company can be terminated by either party by giving one month notice.

RESOLVED FURTHER THAT the Board of Director of the company be and is hereby authorised to alter or modify the terms of appointment of Shri G.S.Agrawal as Whole Time Director of the Company, including relating to remuneration, as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII to the companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force) or any amendments made thereto.

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New Delhi-110001

By order of the Board
for NDA Securities Limited

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

DATED: 15TH JULY, 2002

NOTES:

1. The relevant Explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No.5 and relevant details in respect of Item No.2,4 and 5 above pursuant to clause 49 of the Listing Agreement are 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, 29th August, 2002 to Thursday, 5th September, 2002 (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 who have not yet encashed their Dividend warrant(s) for the financial year ended 31/03/1995 and 31/03/1996 are requested to make their claims to the company without any delay. Please note that the unclaimed dividend for a period of seven years shall be transferred to the Investor Education and Protection Fund set up by the Govt. and no payment shall be made in respect of any such claims by the Fund as per the Provisions of section 205C of the Companies Act, 1956 as amended.

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By order of the Board
for NDA Securities Limited

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

DATED: 15TH JULY, 2002

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

ITEM NO.4 & 5

The Board of Directors of the Company in their meeting held on 5th September, 2001 appointed Mr. G S Agrawal as Director in casual vacancy caused by the resignation of Mr. O M Agarwal. The company has received a notice in writing from a member proposing his candidature for the office of a Director.

The Board of Directors appointed Mr. G S Agrawal as a whole time Director of the company also for a period of 2 years w.e.f. 5th September, 2001 subject to the approval of the company in general meeting on the terms and conditions as set out in the resolution.

The Board recommends approval of the appointment of Mr. G.S. Agrawal as a whole time director of the company.

The Explanatory Statement together with the accompanying notice is and may be treated as an abstract of terms of appointment and memorandum of interest in respect of Mr. G.S.Agrawal as required under section 302 of the Companies Act, 1956.

Details of the Directors seeking appointment/re-appointment in forth coming annual general meeting.

(In pursuance of clause 49 of the Listing Agreement)

NAME OF DIRECTOR	G.S.AGRAWAL	U.S.GUPTA
DATE OF BIRTH	04-12-1959	20-11-1966
DATE OF APPOINTMENT	05-09-2001	07-08-2000
EXPERTISE IN SPECIFIC FUNCTIONAL AREAS	EXPERIENCE IN FINANCE/ SECRETARIAL FIELD FOR 18 YEARS	EXPERIENCE IN STOCK BROKING & INCOME TAX FOR 7 YEARS
QUALIFICATION	M.COM.,F.C.S.	B.COM.,F.C.A.
LIST OF COMPANIES IN WHICH DIRECTORSHIP HELD AS ON 31/03/2002	NDA SHARE BROKERS LTD. A.T. HOLDING PVT. LTD. TRUST FIN-LEASE PVT.LTD.	NDA SHARE BROKERS LTD. NDA FINANCE PVT. LTD. NDA RESEARCH & TECH.(P)LTD.
CHAIRMAN/MEMBER OF THE COMMITTEE OF THE BOARD AS ON 31/03/2002	SHARE TRANSFER COMMITTEE OF NDA SECURITIES LTD.	SHARE TRANSFER COMMITTEE OF NDA SECURITIES LTD.

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By order of the Board
for NDA Securities Limited

Sd/-

(N. D. AGARWAL)

CHAIRMAN & MANAGING DIRECTOR

DATED: 15TH JULY, 2002

**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have pleasure in presenting the Tenth Annual Report alongwith the Audited Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2002 are as under :

	(Rs. in Lakhs)	
	Year Ended 31.03.2002	Year Ended 31.03.2001
Income from Operations	66.30	123.62
Other Income	14.48	14.34
Total Income	80.78	137.96
Total Expenditure	71.76	114.47
Interest	0.04	1.81
Gross Profit after Interest but before depreciation & tax	8.98	21.68
Depreciation	7.22	7.22
Profit before Tax	1.76	14.46
Provision for Tax	0.12	2.45
Deferred Tax (Assets)	0.35	—
Net Profit	1.99	12.01
Paid up equity capital	509.22	509.22
Reserve	52.56	56.08

COMPANY'S PERFORMANCE

The Income from operations for the year ended 31/03/2002 was Rs.66.30 lacs as against Rs.123.62 lacs in the previous year. The company earned a net profit of Rs.1.99 lacs during the year against Rs.12.01 lacs in the previous year. The overall Business and Brokerage Income was down as compared to the last year due to depressed Market Conditions and lower Brokerage rates.

DIVIDEND

Since the Company has earned a net profit of Rs.1.99 lacs only, therefore the Board of Directors have not recommended any dividend for the year ended 31/03/2002.

OPERATIONS AT NATIONAL STOCK EXCHANGE

The Company continues to be an active member of National Stock Exchange of India Limited. During the year under report your company started operations of Futures & Options segment of NSE also.

MEMBERSHIP OF OTC EXCHANGE OF INDIA

The Company had activated the membership of OTC Exchange of India Limited in the last financial year. However no Business was transacted on OTC Exchange during the year under report.

PROSPECTS OF CURRENT YEAR

The Business of your company depends upon Volumes in the Capital Market. The Govt. has introduced major changes in Capital Market. We have started operating in the Futures/Options Segment of NSE also. We hope that current year may be better for the Capital Market and in turn for us also.

DIRECTORS

Mr. O M Agarwal, Director of the company resigned from the Board w.e.f. 05/09/2001 due to his pre-occupation. The Board of Directors appointed Mr. G S Agrawal, as Director of the Company to fill casual vacancy caused by the resignation of Mr. O.M.Agarwal, w.e.f.05/09/2001 and he will hold office as director till the date of the forthcoming annual general meeting of the company. The company has received notice from a member of the company under section 257 of the companies act, 1956 proposing his candidature for the office of Director.

The Directors would like to place on record their appreciation for the contributions made by Mr. O M Agarwal during his association with the Company as Director of the Company.

In accordance with the Provisions of the Companies Act, 1956 and the Company's Articles of Association Mr. U S Gupta, retires by rotation and is eligible for re-appointment.

The Board of Directors appointed Mr.G.S.Agrawal as Whole Time Director of the Company also w.e.f. 05/09/2001. This requires approval of the shareholders and the requisite resolution for the same has been included in the agenda for the Annual General Meeting.

DIRECTORS RESPONSIBILITY

Pursuant to section 217 (2AA) of the Companies Act, 1956, as amended the Directors hereby confirm:

- That in the preparation of the Annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made Judgments and estimates that are reasonable and Prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2002 and of the Profit of the Company for that year.
- That the Directors have taken proper and sufficient care to the best of their knowledge and capacity for the maintenance of adequate accounting records in accordance with the Provisions of the Companies Act, 1956, for safeguarding the assets of the company and for Preventing and detecting fraud and other irregularities.
- That the Directors have Prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE

As per the amended listing Agreement with the Stock Exchange, your company is required to comply with the requirement of Corporate Governance by 31st March, 2003 and the Board of Director will take all necessary steps to comply with the requirement as per the listing agreement, during the current financial year.

Your Company being a Stock Broking Company, prior approval of SEBI is required before inducting directors on the Board. Your company is in the process of inducting additional Directors on the Board after taking SEBI approval and Audit Committee as required U/s 292-A and as per the provisions of Clause-49 of the Listing Agreement shall be constituted.

LISTING ON STOCK EXCHANGES

The shares of your company are listed on Mumbai, Delhi and Jaipur stock exchanges. The annual listing fees have been paid and there is no outstanding payment towards the exchanges as on date.

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, 2002 and the statement as required under Section 212 of the Companies Act, 1956 are attached.

CONSOLIDATED FINANCIAL STATEMENTS

As required under clause 32 of the Listing Agreements with the Stock Exchanges, audited consolidated financial statements form part of Annual Report.

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.

AUDITOR'S REPORT

The Auditor's Report read together with the Notes to Accounts is self explanatory and do not call for any further explanations under Section 217(3) of the Companies Act, 1956.

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, as amended.

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.

FIXED DEPOSIT

The company has neither accepted fresh Fixed deposit nor renewed any Fixed Deposit during the year ended 31/03/2002.

REGISTERED OFFICE OF THE COMPANY

The Registered office of the company has been shifted from 813, Arunachal, 19, Barakhamba Road, New Delhi to 1002-A, Arunachal, 19, Barakhamba Road, New Delhi w.e.f. 18th February, 2002.

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 : 15.07.2002

(N. D. AGARWAL)
CHAIRMAN & MANAGING DIRECTOR

NDA SECURITIES LTD.

AUDITOR'S REPORT

To The Members of **NDA SECURITIES LTD.**

We have audited the attached Balance Sheet of NDA SECURITIES LTD as at 31st March 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto and report that :

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Manufacturing and Other Companies (Auditors Report) Order 1998, 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.
3. Further to our comments in the Annexure referred to in Paragraph 2 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 the Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion the Profit & Loss Account and the Balance Sheet dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written statement received from the Directors of the company as on 31-03-2002 and taken on record, we report that none of the Directors is disqualified as on 31-03-2002 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes to accounts thereon given in schedule No. 12, 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, 2002 and
 - (ii) In the case of the Profit and Loss Account of the profit of the company for the year ended on that date.

For SUBHASH C. GUPTA & ASSOCIATES
Chartered Accountants

Sd/-
(S. C. GUPTA)
Partner

New Delhi, July 15, 2002

ANNEXURE REFERRED TO IN PARAGRAPH-2 OF THE REPORT OF EVEN DATE TO THE MEMBERS OF NDA SECURITIES LTD FOR THE YEAR ENDED 31ST MARCH 2002.

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 the 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 explanations given to us the procedure of physical verification of shares and securities followed by the management are reasonable, proper and adequate in relation to the size of the Company and the nature of its business.
4. 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 or from outsider 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 register 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 the nature of its business with regards to purchases of shares, office equipments and other assets and with regards to the sale of shares and assets.
7. In our opinion and according to the information and explanations given to us, transactions of purchase and sales of shares in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at rates which are reasonable having regard to prevailing market rates for such shares and securities or the prices at the which transactions for similar goods or shares have been made with other parties.
8. No deposit have been accepted U/s 58A of the companies Act, 1956 during the year ended 31/03/2002.
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.