

**13th
Annual Report
2004-2005**

NDA

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NDA SECURITIES LIMITED

NDA**NDA SECURITIES LTD.****BOARD OF DIRECTORS**

SH. N.D.AGARWAL
Chairman

SH. SANJAY AGARWAL
Managing Director

SH. U.S.GUPTA
SH. KEWAL KRISHAN
SH. LALIT GUPTA
Directors

REGISTERED OFFICE

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

COMPANY SECRETARY

RITURAJ AGRAWAL

AUDITORS

SUBHASH C. GUPTA & ASSOCIATES
Chartered Accountants, New Delhi

BANKERS

HDFC BANK
ABN AMRO BANK
PUNJAB NATIONAL BANK
BANK OF BARODA
VIJAYA BANK

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NDA**NDA SECURITIES LTD.****NOTICE**

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF NDA SECURITIES LIMITED WILL BE HELD ON SATURDAY 17TH SEPTEMBER 2005 AT 4.00 P.M AT KHURANA BANQUET HALL, 19, KRISHNA MARKET, OPPOSITE DESH BANDHU GUPTA COLLEGE, KALKAJI, NEW DELHI - 110 019 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. U.S. Gupta 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 authorize 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 with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the company be and is hereby accorded to increase the remuneration, as approved by the Shareholders in their meeting held on 31st August, 2004, of Sh. Sanjay Agarwal, Managing Director of the Company with effect from 01st September 2005 in the following manner:

- (a) Leave Travel Assistance of one month's basic salary in a block of two years;
- (b) Reimbursement of Medical Bills upto a maximum of Rs. 15000/- per annum;
- (c) Use of Cellphone and telephones at his residence;
- (d) Car with Chauffeur;
- (e) Newspapers, books and periodicals not exceeding Rs. 1000/- p.m.
- (f) All the other terms and conditions of his appointment remaining the same.

By order of the Board

Date: 30/07/2005
Place: New Delhi

Sd/-
RITURAJ AGRAWAL
COMPANY SECRETARY

NDA

NDA SECURITIES LTD.

NOTES:

1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF/HERSELF AND A PROX NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of members and the Share transfer books of the Company shall remain closed from 13th to 17th September 2005 (both days inclusive).
3. Members are advised not to ask for any gift coupons at the AGM as the same shall not be distributed.
4. Members/Proxies should bring the attendance slip sent herewith, duly filled in and signed and handover the same at the entrance of the meeting hall.
5. Shareholders are requested to bring their copies of the Annual Report for the meeting.
6. Pursuant to the terms of provisions of Section 205 A of the Companies Act, 1956, as amended, the Company has already transferred all unclaimed dividends declared upto the Financial Year ended 31st March, 1997 to the Investor Education and Protection Fund set up by the Central Government 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

Sd/-

RITURAJ AGRAWAL
COMPANY SECRETARY

Date: 30/07/2005
Place: New Delhi

NDA**NDA SECURITIES LTD.****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 4:**

The Board of Directors, in its meeting held on 30th July, 2005 discussed, on the recommendation of the Remuneration Committee, that Sh. Sanjay Agarwal, Managing Director of the Company has played a pivotal role in adding value to the Company by his vision, foresight and multidimensional skills. It was recommended by the Committee that Sh. Sanjay Agarwal be given a few more benefits apart from what he was getting earlier in view of his unmatched dedication towards the Company. The same was approved by the Board of Directors and is in accordance with Schedule XIII to the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

None of the directors except Sh. Sanjay Agarwal and Sh. N.D. Agarwal is interested in the said resolution.

This Resolution and the above explanatory statement may please be taken as the Abstract of Terms and Conditions as required under Section 302 of the Companies Act, 1956.

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT IN ENSUING ANNUAL GENERAL MEETING (In pursuance of clause 49 of the listing agreement)

Name	: Sh. U.S. Gupta
Date of Appointment	: 07th August 2000
Qualification	: B.Com., FCA
Expertise	: Finance and Accounts
List of Companies in which he was a Director as on 31/03/2005	: NDA Share Brokers Limited NDA Commodity Brokers Pvt. Limited NDA Research and Technologies Pvt. Ltd.
Chairman/member of committee of the Board of Directors as on 31/03/2005	: Audit Committee, Remuneration Committee and Investor Grievance cum Share Transfer Committee

By order of the Board

Sd/-

RITURAJ AGRAWAL
COMPANY SECRETARY

Date: 30/07/2005

Place: New Delhi

NDA**NDA SECURITIES LTD.****DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have pleasure in presenting the Thirteenth Annual Report alongwith the Audited Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS

The Financial results for the year ended 31st March, 2005 are as under:

Particulars	(Rs. In Lacs)	
	Year ended 31.03.2005	Year ended 31.03.2004
Income from Operations	310.85	174.32
Other Income	16.91	15.89
Total Income	327.76	190.21
Total Expenditure	230.72	147.86
Interest	0.77	—
Gross Profit (loss) after interest but before Depreciation and Tax	96.27	42.35
Depreciation	12.03	8.24
Profit (loss) before Tax	84.24	34.11
Income Tax for earlier years	(0.06)	—
Provision for Tax	22.73	2.56
Deferred Tax Asset/(Liabilities)	5.39	2.37
Net Profit (loss)	56.18	29.18
Paid up Equity Capital	509.22	509.22
Reserves	111.90	55.71

COMPANY'S PERFORMANCE

The performance of the Company has improved much during the Financial Year under review. The Income from operations was 310.85 Lacs as against 174.32 Lacs in the year 2003-2004. The company has earned net profit of Rs.56.18 Lacs during the Financial Year as against Rs. 29.18 Lacs in the previous Financial Year, thereby showing an increase of 192%.

DIVIDEND

Your Directors have considered in the interests of the Company to reinvest the profits in the business of the Company for its further growth. Your Directors have therefore decided not to recommend any dividend for the Financial Year under review.

PROSPECTS OF CURRENT YEAR

As in the current year, the Stock market has witnessed the greatest rally in its entire history, touching new heights and scaling newer peaks everyday, thereby drawing common man to the stock market and reaching most parts of the country. The volumes in the Stock Market have soared. Like wise your company, in tune with the times, has added few branches spanning at various places. The Company has incurred costs

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towards the setting up of the same but your directors are of the firm view that they would add to company's profits. Further, the process of becoming a Depository participant has also been started. This would also benefit the company in its operations. Also the plan of acquiring the membership of the Stock Exchange, Mumbai is in the pipeline. Once, it gets going, we would be able to provide a one stop shop for all our clients. Your Directors are sure and foresee a good year ahead.

DIRECTORS

In accordance with the Provisions of the Companies Act, 1956 and the Company's Articles of Association Sh. U.S. Gupta, retires by rotation and is eligible for re-appointment. Profile of Sh. U.S. Gupta is given elsewhere in this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, 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 Judgements 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, 2005 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 required by Clause 49 of the Listing agreement with the Stock Exchanges, Management Discussion and Analysis Report, Corporate Governance Report and Auditor's Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance are attached and form a part of this Annual Report.

LISTING ON STOCK EXCHANGES

The Equity Shares of the Company continue to be listed on The Stock Exchange, Mumbai.

SUBSIDIARY COMPANIES

The Audited Statements of Accounts of NDA Share Brokers Limited and NDA Commodity Brokers Private Limited alongwith the reports of Directors and Auditors for the year ended 31st March, 2005 and the statement as required under Section 212 of the Companies Act, 1956 are attached.

NDA Commodity Brokers Pvt. Ltd. has acquired the memberships of both the commodity exchanges viz. National Commodity & Derivatives Exchange Limited and Multi Commodity Exchange of India Limited. The company is performing well and is expected to do better in the near future.

NDA**NDA SECURITIES LTD.**

NDA Share Brokers Ltd. is a Member of the Delhi Stock Exchange Association Limited. As the DSE has had no business for the last few years, the Company has not been able to put up a good show. Now a days the company is targeting the secondary market as an investor.

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

AUDITORS' REPORT

The Auditors 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 271(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 31/03/2005.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Sd/-

(N. D. AGARWAL)
CHAIRMAN

Place : New Delhi
Date : 30/07/2005

NDA**NDA SECURITIES LTD.****CORPORATE GOVERNANCE REPORT****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE.**

Your Company's philosophy is to enhance customer's satisfaction by practicing the Principles of good Corporate Governance. Your Company has set, as a mission, the implementation of a system to ensure transparency, Control, responsibility and fairness in all areas of operations.

2. BOARD OF DIRECTORS

The Board of Directors comprises of 5 Directors. Composition, Category of Directors and other Directorship details are as follows:

Category	Name of the Director & Designation	No. of other Directorships & Committee Membership / Chairmanship		
		Directorship (including Pvt. Ltd.)	Committee Chairmanship	Committee Member
Promoter Non Executive Director*	Mr. N. D. Agarwal Chairman	1	—	1
Promoter Executive Director	Mr. Sanjay Agarwal Managing Director	3	—	—
Independent Non Executive Director	Mr. U. S. Gupta	3	3	3
Independent Non Executive Director	Mr. Kewal Krishan	—	—	3
Independent Non Executive Director	Mr. Lalit Gupta	—	—	2

* Executive Director upto 30th June 2004.

The attendance of the Directors of the Company at the Board meetings & Annual General Meetings are as follows:

Directors	No. of Board Meetings Held During the year	No. of Board Meetings Attended	Attended Last AGM on 31/08/2004
Sh. N.D. Agarwal	8	8	Yes
Sh. Sanjay Agarwal	8	8	Yes
Sh. U.S. Gupta	8	8	Yes
Sh. Kewal Krishan	7	7	Yes
Sh. Lalit Gupta	7	7	Yes

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The Board of Directors met 8 times during the year on the following dates:

April 30 2004, June 30 2004, July 15 2004, July 30 2004, August 31 2004, September 15 2004, October 29 2004 and January 31, 2005.

3. AUDIT COMMITTEE

The Board of Directors has constituted Audit Committee to assist the Board in discharging their responsibilities effectively. The constitution of Audit Committee also meets with the requirements under section 292A of the Companies Act, 1956. The committee consists of all Independent Directors. The Audit Committee comprises the following Directors:

S. NO.	NAME	CATEGORY	NO. OF MEETINGS ATTENDED
1	Sh. U. S. Gupta (Chairman)	Non - Executive	5
2	Sh. Kewal Krishan	Non - Executive	5
3	Sh. Lalit Gupta	Non - Executive	5

The Company Secretary acts as the Secretary of the Audit Committee.

During the year 2004-05, five meetings of the Audit Committee were held on April 30 2004, July 15 2004, July 30 2004, October 29 2004 and January 31, 2005

The terms of reference for the Audit Committee are as stipulated in Clause 49 of the listing Agreement and Section 292A of the Companies Act, 1956. The functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchange(s). This includes overseeing of Company's Financial Reporting process, Recommending the appointment and removal of external auditors, reviewing the Annual Financial Statements, Financial Management policies, Adequacy of Internal Control System and Internal Audit Functions.

4. REMUNERATION COMMITTEE

The Committee consists of:

Sh. U. S. Gupta	Chairman
Sh. Kewal Krishan	Member
Sh. Lalit Gupta	Member

Terms of Reference and Remuneration Policy.

The Board has constituted Remuneration Committee which devises the policy relating to Executive Directors / Managers.

Details of the remuneration paid to the Directors for the financial year ended 31/03/05 are as given below:

Name of Directors	Remuneration (Rs.)	Sitting Fee (Rs.)	Total (Rs.)
Sh. N.D. Agarwal	75000/-	—	75000/-
Sh. Sanjay Agarwal	1200000/-	—	1200000/-
Sh. U. S. Gupta	—	6500/-	6500/-
Sh. Kewal Krishan	—	6000/-	6000/-
Sh. Lalit Gupta	—	6000/-	6000/-