

**14th
Annual Report
2005-2006**



NDA SECURITIES LIMITED



NDA SECURITIES LTD.

BOARD OF DIRECTORS

Sh. N.D. Agarwal, Chairman
 Sh. Sanjay Agarwal, Managing Director
 Sh. U.S. Gupta, Director
 Sh. Kewal Krishan, Director
 Sh. Lalit Gupta, Director

COMPANY SECRETARY

Sh. Rituraj Agrawal

AUDITORS

Subhash C. Gupta & Associates
 Chartered Accountants, New Delhi

BANKERS

HDFC Bank
 ABN Amro Bank
 Punjab National Bank
 Bank of Baroda

Registered Office Address

1002A, Arunachal,
 19, Barakhamba Road,
 New Delhi – 110 001

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NDA SECURITIES LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FOURTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF NDA SECURITIES LIMITED WILL BE HELD ON THURSDAY 28TH SEPTEMBER 2006 AT 4:30 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, 2006 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. N.D. Agarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. Lalit Gupta who retires by rotation and being eligible offers himself for re-appointment.
4. 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:

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 314 of the Companies Act, 1956 and the Rules made thereunder, the consent of the members of the Company be and is hereby accorded for appointment of Sh. Ashutosh Gupta, a relative of Sh. U.S. Gupta, Director of the Company, at an office of profit under the Company w.e.f. 01st April 2006 as Manager (Finance & Accounts) at a gross monthly remuneration of Rs. 21700/- (Rupees Twenty One Thousand Seven Hundred only).

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 314 of the Companies Act, 1956 and the Rules made thereunder the consent of the members of the Company be and is hereby accorded for increasing the gross remuneration to be paid to Smt. Deepti Agarwal, a relative of Sh. Sanjay Agarwal, Managing Director and Sh. N.D. Agarwal, Chairman of the Company, who holds a place of profit under the Company as an Equity Research Analyst to Rs. 20000/- (Rupees Twenty Thousand only) per month w.e.f. 01st January 2006.

By order of the Board

Date: 21/08/2006
Place: New Delhi

Sd/-
RITURAJ AGRAWAL
COMPANY SECRETARY



NDA SECURITIES LTD.

NOTES:

1. The relevant explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of items no. 5 and 6 are annexed herewith.
2. 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 PROXY 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.
3. The Register of members and the Share transfer books of the Company shall remain closed from 25th to 28th September 2006 (both days inclusive).
4. Members are advised not to ask for any gift coupons at the AGM, as the same shall not be distributed.
5. 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.
6. Shareholders are requested to bring their copies of the Annual Report for the meeting.
7. 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.

By order of the Board

Date: 21/08/2006
Place: New Delhi

Sd/-
RITURAJ AGRAWAL
COMPANY SECRETARY



NDA SECURITIES LTD.

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

Item No. 5:

Your Company required a person to head its Finance and Accounting functions at the beginning of the Financial Year. Sh. Ashutosh Gupta, who is a Chartered Accountant, was appointed as Manager (Finance & Accounts) with effect from 01st April 2006 at a gross monthly remuneration of Rs. 21700/- (Rupees Twenty One Thousand Seven Hundred only). The components forming part of his salary are as below:

Basic Salary:	Rs. 14000/- (Rupees Fourteen Thousand only) p.m.
House Rent Allowance:	Rs. 7000/- (Rupees Seven Thousand only) p.m.
Conveyance Allowance:	Rs. 700/- (Rupees Seven Hundred only) p.m.

Sh. Ashutosh Gupta shall also be entitled to Bonus and Leave Encashment as per the Company Rules.

Sh. Ashutosh Gupta, being the brother of Sh. U.S. Gupta, Director of the Company holds this post as an office of profit as stipulated by Section 314 of the Companies Act, 1956 and therefore requires your approval by way of a Special Resolution under that Section.

Your Directors recommend the resolution for your approval.

None of the director except Sh. U.S. Gupta is interested in the said resolution.

Item No. 6:

Mrs. Deepti Agarwal, wife of Sh. Sanjay Agarwal, Managing Director and daughter-in-law of Sh. N.D. Agarwal, Chairman of the Company, has been associated with the Company for close to 3 years as an Equity Research Analyst. In the recent times, the Company has immensely benefited from her continued dedication and hard work. In order to recognize her contribution, the Board of Directors, in its meeting held on 10th December 2005, decided to increase the remuneration to be paid to Mrs. Deepti Agarwal to Rs. 20000/- (Rupees Twenty Thousand only) p.m. as a gesture of appreciation with effect from 01st January 2006. Mrs. Deepti Agarwal shall also be entitled to Bonus and Leave Encashment as per the Company Rules.

Mrs. Deepti Agarwal, being a relative of Sh. Sanjay Agarwal, Managing Director and Sh. N.D. Agarwal, Chairman of the Company holds this post as an office of profit as stipulated by Section 314 of the Companies Act, 1956 and therefore requires your approval by way of a Special Resolution under that Section.

Your Directors recommend the resolution for your approval.

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



NDA SECURITIES LTD.

Details of directors seeking re-appointment in ensuing annual general meeting (Pursuant to clause 49 of the listing agreement)

Name	: Sh. N.D. Agarwal	Sh. Lalit Gupta
Date of Appointment	: 21 st September 1992	10 th February 2003
Qualification	: B.A., LLB.	B.Com. (H), CAIIB
Expertise	: Capital Market, Legal Compliances	Mutual Funds, IPOs, Banking
List of Companies in which he was a Director as on 31/03/2006	: NDA Share Brokers Limited	NDA Share Brokers Limited NDA Commodity Brokers Pvt. Ltd.
Chairman/member of committee of the Board of Directors as on 31/03/2006	: —	Audit Committee and Remuneration Committee

By order of the Board

Date: 21/08/2006
Place: New Delhi



Sd/-
RITURAJ AGRAWAL
COMPANY SECRETARY



NDA SECURITIES LTD.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Fourteenth Annual Report alongwith the Audited Accounts for the year ended 31st March 2006.

FINANCIAL RESULTS

The Financial results for the year ended 31st March, 2006 are as under:

Particulars	Rs. In Lacs	
	Year ended 31.03.2006	Year ended 31.03.2005
Income from Operations	444.99	310.85
Other Income	16.09	16.91
Total Income	461.08	327.76
Total Expenditure	348.50	230.72
Interest	1.34	0.77
Gross Profit (loss) after interest but before Depreciation and Tax	111.24	96.27
Depreciation	17.01	12.03
Profit (loss) before Tax	94.23	84.24
Income Tax for earlier years	-	(0.06)
Provision for Tax	28.26	22.73
Deferred Tax Asset/(Liabilities)	3.06	5.39
Fringe Benefit Tax	1.88	-
Net Profit (loss)	61.03	56.18
Paid up Equity Capital	509.22	509.22
Reserves	172.92	111.90

COMPANY'S PERFORMANCE

The performance of the Company has improved during the Financial Year under review. The Income from operations was Rs. 444.99 Lacs as against Rs. 310.85 Lacs in the year 2004-2005. The company has earned net profit of Rs. 61.03 Lacs during the Financial Year as against Rs. 56.18 Lacs in the previous Financial Year, thereby showing an increase of 8.63%.

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.



NDA SECURITIES LTD.

PROSPECTS OF CURRENT YEAR

This year the Stock Market has breached all its previous peaks and scaled unprecedented heights thereby invoking everyone's interest. Your company has also done well during the year. The Company has also acquired the membership of Bombay Stock Exchange Limited on which the company has also started picking up volumes. The Company has set up a separate division for IPO's and Mutual Funds. The Company is also planning to open a few more branches at various places to tap the potential available. Your directors are of the firm view that the prospects in the current year are bright for your Company.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Sh. N.D. Agarwal and Sh. Lalit Gupta, retire by rotation and are eligible for re-appointment. Profile of both of them 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 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, 2006 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 Bombay Stock Exchange Limited, Management Discussion and Analysis Report, Corporate 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 Bombay Stock Exchange Limited.

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, 2006 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 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 was-trying its hand in the secondary market as an active trader and has done reasonably well. The Management is also exploring other avenues for investment and is of the view that the performance would improve even further in the current year.

CONSOLIDATED FINANCIAL STATEMENTS

As required under clause 32 of the Listing Agreement with the Bombay Stock Exchange Limited, 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 31/03/2006.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place : New Delhi
Date : 21/08/2006

Sd/-
(N.D. AGARWAL)
CHAIRMAN



NDA SECURITIES LTD.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes in transparency in all its dealings and emphasizes on integrity and compliance. NDA Group considers proper Corporate Governance as a prerequisite for meeting the needs of shareholders and customers of the Company. With this in mind, the Management has observed complete transparency and made thorough disclosures in this Report.

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 & Designation	No. of other Directorships & Committee Membership / Chairmanship		
		Directorship (including Pvt. Ltd.)	Committee Chairmanship	Committee Member
Promoter Non-executive Director	Sh. N. D. Agarwal Chairman	1	-	1
Promoter Executive Director	Sh. Sanjay Agarwal Managing Director	3	-	-
Independent Non Executive Director	Sh. U. S. Gupta Director	3	2	3
Independent Non Executive Director	Sh. Kewal Krishan, Director	-	-	3
Independent Non Executive Director	Sh. Lalit Gupta, Director	2	1	2

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 17/09/2005
Sh. N.D. Agarwal	8	8	Yes
Sh. Sanjay Agarwal	8	8	Yes
Sh. U.S. Gupta	8	8	Yes
Sh. Kewal Krishan	8	6	Yes
Sh. Lalit Gupta	8	6	Yes