

**15th
Annual Report
2006-2007**



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

CONTENTS	PAGE No.
NOTICE	1
DIRECTORS' REPORT	7
REPORT ON CORPORATE GOVERNANCE	10
MANAGEMENT DISCUSSION & ANALYSIS	17
AUDITORS' REPORT	19
BALANCE SHEET	22
PROFIT & LOSS ACCOUNT	23
SCHEDULES	24
NOTES TO THE ACCOUNTS	29
CONSOLIDATED FINANCIAL STATEMENTS	36
ANNUAL REPORT OF SUBSIDIARY COMPANIES	49



NDA SECURITIES LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF NDA SECURITIES LIMITED WILL BE HELD ON FRIDAY, 28th SEPTEMBER, 2007 AT 4.00 P.M. AT KHURANA BANQUET HALL, 19, KRISHNA MARKET, OPPOSITE DESH BANDHU GUPTA COLLEGE, KALKAJI, NEW DELHI-110019 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 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. Kewal Krishan, 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:

TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTIONS AS ORDINARY RESOLUTIONS:-

4. **RESOLVED THAT**, in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof) for the time being in force, the consent of the Company be and is hereby accorded to the Reappointment of Sh. Sanjay Agarwal as Managing Director of the Company for a period of three year w.e.f. 01.05.2006 on such remuneration and terms and conditions, as detailed below:

A. Salary Rs.1,00,000/- per month

B. PERQUISITES AND ALLOWANCES:

- i) **MEDICAL REIMBURSEMENT:** For self and family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
- ii) **LEAVE TRAVEL CONCESSION:** Leave Travel Concession for self and family once in a year.
- iii) **CLUB FEES:** Fees of clubs subject to maximum of two clubs excluding life membership fees.
- iv) **PERSONAL ACCIDENT INSURANCE:** premium for Personal Accident Policy shall be paid by the Company, in accordance with the rules of the Company.
- v) **CONVEYANCE AND TELEPHONE:** Car with driver for use on Company's business and telephone at residence alongwith Mobile Phone will be provided. They will however, not to be considered as perquisites. Personal long distance calls on telephones and use of Car for private purpose, shall be billed by the Company.
- vi) **OTHER BENEFITS:** Such other benefits, amenities, facilities, allowances and perquisites as per rules of the Company applicable to Senior Executives or as may be permitted by the Board of Directors.



NDA SECURITIES LTD.

NOTE: All the above perquisites shall be interchangeable, i.e. any excess in a particular perquisite may be permissible by a corresponding reduction in one or more of the other perquisites. The perquisites shall be evaluated as per Income Tax Rules, wherever applicable.

In addition to the perquisites as aforesaid, Sh Sanjay Agarwal shall also be entitled to the following benefits which shall not be included in the computation of his remuneration:

- i) **PROVIDENT FUND:** Company's contribution towards Provident Fund as per rules of the Company to the extent not taxable under the Income Tax Act, 1961.
- ii) **SUPERANNUATION FUND:** Company's contribution towards superannuation fund or annuity fund will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income tax Act.
- iii) **GRATUITY:** Not exceeding half month's salary for each completed year of services.
- iv) **LEAVE:** As per rules of the company but not exceeding one month's leave with full salary for every eleven months of services. Leave accumulated but not availed during the tenure as Managing Director may be allowed to be encashed at the end of the tenure.

REIMBURSEMENT OF EXPENSES: The Managing Director will be entitled to reimbursement of entertainment and all other expenses actually and properly incurred by him in the course of legitimate business of the Company.

SITTING FEE: The Managing Director shall not be paid any sitting fee for attending meetings of the Board of Directors or any Committee(s) thereof.

"RESOLVED FURTHER THAT Sh. Sanjay Agarwal shall not retire by rotation.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year comprised in the period of appointment, the above remuneration will be deemed to be minimum remuneration. However, such minimum remuneration shall not exceed the limits prescribed under schedule -XIII of the Companies Act, 1956 and the rules made there under or any Statutory modifications or reenactment thereof.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **"RESOLVED THAT** pursuant to Section 293(1)(d) of the Companies Act, 1956 and all other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies which, together with the monies already borrowed by the Company (Apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rupees Twenty Crores."

TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTIONS AS SPECIAL RESOLUTIONS:-

6. **RESOLVED THAT** pursuant to section 314 of the Companies Act, 1956 and the rules made there under, the Board of Directors of the Company or any of its committee, be and are hereby authorised to alter and/ or vary the terms and conditions of the appointment and / or remunerations being paid to Sh. Ashutosh Gupta, Manager(Finance and Accounts) of the company, who is a relative of Sh.U.S.Gupta,



NDA SECURITIES LTD.

Director of the Company, and who was appointed at an office of profit under the Company with effect from 1st April'2006.

RESOLVED FURTHER THAT the terms and conditions of the said appointment and remuneration may be altered and varied from time to time by the Board or any of its committee, as it may, in its absolute discretion deem fit, within the maximum amounts payable to Sh. Ashutosh Gupta, in accordance with the provisions and rules under the Act or any amendments made hereinafter in this regard and subject to such approvals as may be required.

RESOLVED FURTHER THAT the Board of Directors or any of its committee, be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

7. **RESOLVED THAT** pursuant to section 314 of the Companies Act, 1956 and the rules made there under, the Board of Directors of the Company or any of its committee, be and are hereby authorised to alter and/ or vary the terms and conditions of the appointment and / or remunerations being paid to Smt. Deepti Agarwal, Equity Research Analyst of the company, who is a relative of Sh. N.D. Agarwal, Director and Sh. Sanjay Agarwal, Managing Director of the Company, and who was appointed at an office of profit under the Company with effect from 1st January'2006.

RESOLVED FURTHER THAT the terms and conditions of the said appointment and remuneration may be altered and varied from time to time by the Board or any of its committee, as it may, in its absolute discretion deem fit, within the maximum amounts payable to Smt. Deepti Agarwal, in accordance with the provisions and rules under the Act or any amendments made hereinafter in this regard and subject to such approvals as may be required.

RESOLVED FURTHER THAT the Board of Directors or any of its committee, be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

By order of the Board

Date: 23/08/2007
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. 4 to 7 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 24.09.2007 to 28.09.2007(both days inclusive).
4. All the Members who are still holding their shares in physical form, are requested to get their shares converted into dematerialized Form.
5. Members are advised not to ask for any gift coupons at the AGM, as the same shall not be distributed.
6. 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.
7. Shareholders are requested to bring their copies of the Annual Report for the meeting.



By order of the Board

Sd/-

RITURAJ AGRAWAL
COMPANY SECRETARY

Date: 23/08/2007
Place: New Delhi



NDA SECURITIES LTD.

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

ITEM NO. 4

Sh. Sanjay Agarwal was reappointed as Managing Director of the Company by the Board of Directors, in their meeting held on 29.04.2006 for a period of three years with effect from 01.05.2006, on the terms and conditions as contained in the enclosed notice. His appointment was also approved by the remuneration committee. Sh. Sanjay Agarwal has played an important role in the overall development of the company and its business through his hard work, vision, foresight and multidimensional skills. The Board considers that the appointment of Sh. Sanjay Agarwal as Managing Director will be beneficial to the company.

Your Directors recommend the resolution for your approval.

The appointment of Sh. Sanjay Agarwal as Managing Director is subject to the approval of shareholders in general meeting.

None of the Directors Except Sh. Sanjay Agarwal and Sh. N.D. Agarwal, are interested in the said resolution.

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 the provisions of companies Act 1956.

ITEM NO.: 5

Under Section 293(1)(d) of the Act, the Board of Directors of a Company cannot, except with the consent of the company in a general meeting, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose. To meet the Capital expenditure requirements and for additional working capital needs, it is necessary to enhance the present borrowing limits. The Members' approval is therefore being sought pursuant to Section 293(1)(d) of the Act to increase the borrowing Limit to Rupees Twenty Crores.

Your Directors recommend the resolution for your approval.

None of the Directors are interested in the said resolution.

ITEM NOS. 6 and 7

Sh. Ashutosh Gupta, Manager(Finance and Accounts) and Smt. Deepti Agarwal, Equity Research Analyst, who were appointed at an office of profits under the company on 1st April 2006 and 1st January 2006 respectively. Their appointments were approved by the Shareholders in the Annual General Meeting held on 28th September 2006. Sh. Ashutosh Gupta, is a relative of Sh. U.S. Gupta(Director) and Smt. Deepti Agarwal is a relative of Sh. N.D. Agarwal(Director) and Sh. Sanjay Agarwal(Managing Director) of the Company. During the course of their employment, Sh. Ashutosh Gupta and Smt. Deepti Agarwal are entitled for increase in their remunerations, like other employees of the Company. The Enclosed resolutions at **Item Nos. 6 and 7** are enabling resolutions, authorizing the board of Directors or any of its committees to alter and / or vary the terms and conditions of their appointments and remunerations. The necessary authority being given to Board or any of its committees will save the company from approaching the shareholders from time and again, for their approval, even for minor variations and / or alterations in their terms and conditions of appointments. This is also necessary for the sake of administrative convenience.

Your Directors recommend the resolutions as special resolutions for your approval.

Sh. U.S. Gupta, Sh. N.D. Agarwal, Directors and Sh. Sanjay Agarwal, Managing Director of the Company, being relatives, are interested in the said resolutions.



NDA SECURITIES LTD.

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

Name	: Sh. Kewal Krishan
Date of Appointment	: 25 th September 2002
Qualification	: M.Com, CAIIB
Expertise	: Banking, Finance and Accounts
List of Companies in which he was a Director as on 31/03/2007	: NIL
Chairman/member of committee of the Board of Directors as on 31/03/2007	: Member of Audit Committee, Remuneration Committee and shareholder/investors grievance committee of NDA Securities Ltd.

By order of the Board

Date: 23/08/2007
Place: New Delhi

Sd/-
RITURAJ AGRAWAL
COMPANY SECRETARY

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NDA SECURITIES LTD.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Fifteenth Annual Report alongwith the Audited Accounts for the year ended 31st March 2007.

FINANCIAL RESULTS

The Financial results for the year ended 31st March, 2007 are as under:

Particulars	Rs. In Lacs	
	Year ended 31.03.2007	Year ended 31.03.2006
Income from Operations	512.94	444.99
Other Income	36.92	16.09
Total Income	549.86	461.08
Total Expenditure	438.30	348.50
Interest	3.03	1.34
Gross Profit (loss) after interest but before Depreciation and Tax	108.53	111.24
Depreciation	23.39	17.01
Profit (loss) before Tax	85.12	94.23
Income Tax for earlier years	0.06	-
Provision for Tax	24.31	28.26
Deferred Tax Asset/(Liabilities)	4.90	3.06
Fringe Benefit Tax	1.75	1.88
Net Profit (loss)	54.07	61.03
Paid up Equity Capital	509.22	509.22
Reserves	227.00	172.92

COMPANY'S PERFORMANCE

The income from operations increased to Rs.512.94 lacs, as against Rs.444.99 lacs in the previous year. However, due to increase in expenditure and depreciation, the net profit decreased to Rs.54.07 lacs, as against Rs.61.03 lacs in the previous year. Depending upon the market conditions, your directors are hopeful for better performance in the future.

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.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Sh. Kewal Krishan, Director, retire by rotation and being eligible, offer himself for re-appointment. His Profile is given elsewhere in this Report.

Sh. Sanjay Agarwal, Managing Director of the Company was re-appointed with effect from 01.05.2006 for a further period of Three years. The Approval of the Members is being sought by means of an ordinary resolution, which is 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, 2007 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, Corporate Governance Report, Management Discussion and Analysis 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, 2007 and the statement as required under Section 212 of the Companies Act, 1956 are attached.

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 is 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 in future.

NDA Commodity Brokers Pvt. Ltd. is performing well and is expected to do better in the near future.