

**10th  
ANNUAL REPORT  
2003 - 2004**

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*THE FINANCIAL POWERHOUSE*

**ALLIANZ SECURITIES LIMITED**


**Allianz Securities Limited**
**BOARD OF DIRECTORS**

|                         |                          |
|-------------------------|--------------------------|
| Mr. Kawaljit Singh      | – Chairman               |
| Mr. Ashwajit Singh      | – Non-Executive Director |
| Mr. Navjeet Singh Sobti | – Managing Director      |
| Mr. M.L. Kampani        | – Non-Executive Director |
| Mr. C.K. Tikku          | – Non-Executive Director |
| Mr. Jagdeep Singh       | – Non-Executive Director |
| Mr. G.P. Agrawal        | – Non-Executive Director |
| Mr. M.K. Aggarwal       | – Non-Executive Director |

**AUDITORS**

M/s. H.K. Chhabra & Co.  
324, Dhaka Chambers,  
2068/38, Naiwala, Karol Bagh,  
New Delhi-110 005

**COMPANY SECRETARY**

Rajiv Lochan Jha

**BANKERS**

Standard Chartered Bank  
HDFC Bank  
UTI Bank  
Bank of Punjab

**TRANSFER AGENTS**

M/s Beetal Financial & Computer Services (P) Ltd.  
321-S, Chirag Delhi  
(Near Shahid Bhagat Singh College),  
New Delhi-110 017  
Phones : 29251990, 29250390

**REGISTERED OFFICE**

2nd Floor, 3 Scindia House,  
Janpath, New Delhi-110 001

**BRANCH OFFICES**
**Mumbai**

33, 6th Floor, Vaswani Mansion,  
Dinsha Vachha Road,  
Churchgate, Mumbai-400 020

**Chennai**

12-A, Eldam Square, New No. 12 (Old 167),  
Eldams Road, Alwarpet, Chennai-600 018

**Kolkata**

23-A, Royd Street, 1st Floor, Room No. 101,  
Kolkata-700 016

**Ahmedabad**

308, 3rd Floor, Samedh Building,  
Near Associated Petrol Pump,  
C. G. Road, Punchwati, Ahmedabad-6

**Bangalore**

No. S-416, 4th Floor, South Block, Manipal Centre,  
Dickenson Road, Bangalore-560 042

**Hyderabad**

'Manideep', 8-2-696/I/K/A, Plot No. 172,  
Road No. 12, Banjara Hills, Hyderabad-500 034

**Pune**

Office No. 9, Tirupati Business Centre,  
32, Karve Road, Pune-411 004

**Jaipur**

M-3B, Mezzanine Floor, Sangam Tower,  
Church Road, Jaipur-302 001

**Baroda**

134, Siddarth Complex,  
R.C. Dutt Road, Baroda

| CONTENTS                                | PAGE NO. |
|---|----------|
| Notice                                  | 1        |
| Directors' Report                       | 7        |
| Statement on Corporate Governance       | 10       |
| Management Discussion & Analysis Report | 17       |
| Auditors' Report                        | 19       |
| Balance Sheet                           | 22       |
| Profit & Loss Account                   | 23       |
| Schedules                               | 24       |
| Balance Sheet Abstract                  | 33       |
| Cash Flow Statement                     | 34       |

## *Allianz Securities Limited*

**Regd. Office :** 2nd Floor, 3, Scindia House, Janpath,  
New Delhi - 110 001



**THE FINANCIAL POWER HOUSE**

Dated : 29th June, 2004

### **Sub. : Reduction of the Share Capital**

Dear Shareholder(s)

This is to intimate you that as a part of the restructuring of the Balance Sheet of your Company, the Company decided to reduce the Paid-up Equity Share Capital which has been permanently lost in the normal course of business over the last several years and is no longer represented in the accounts of the Company in view of the accumulated losses. Accordingly, in order to give a true and fair disclosure of the financial statement of the Company, a petition under Section 100 of the Companies Act, 1956 was filed with the Hon'ble Delhi High Court, for reduction of the Share Capital.

The Hon'ble Delhi High Court vide its Order Dt. 8th April, 2004 has allowed the said Petition and accordingly the Paid-up Capital of your Company has been reduced from Rs.10,61,31,000/- (Rupees Ten Crores Sixty One Lakhs Thirty One Thousand only) to Rs. 6,36,78,600/- (Rupees Six Crores Thirty Six Lakhs Seventy Eight Thousand Six Hundred only) by reducing the face value of shares from Rs. 10/- each to Rs. 6/- per share with effect from 28th June, 2004.

The shareholders are requested to note the above and those persons who are holding the Equity Share Certificates in the physical form, are hereby requested to send their respective certificates to the Company, for getting the same endorsed by the words "Rs. 6/-" in place of the existing "Rs. 10/-" as the face value of the shares.

*Thanking you*

**For Allianz Securities Limited**

**Rajiv Lochan Jha**  
Company Secretary

**P.S. : Please note that those shareholders, who are holding the shares of the Company in the physical mode, are hereby requested to kindly get the physical share certificates dematerialized, as the shares of your Company are falling under the compulsorily dematerialized list.**



**Allianz Securities Limited**

## NOTICE

NOTICE is hereby given that the 10th Annual General Meeting of the Members of ALLIANZ SECURITIES LTD. will be held on Saturday, the 31st day of July, 2004, at 9.30 A. M. at M. P. C. U. Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi-110 054, to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2004, Profit & Loss Account for the year ended 31st March, 2004 and Reports of the Directors and Auditors thereon.
2. To appoint Directors in place of Mr. Kawaljit Singh and Mr. Ashwajit Singh, who retire by rotation and being eligible, offer themselves for re-appointment.
3. To appoint the Statutory Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. G. P. Agrawal, who was appointed as an Additional Director of the Company and who ceases to hold office as per the provisions of Section 260 of the Companies Act, 1956, at the ensuing Annual General Meeting, and in respect of whom, the Company has received a notice in writing proposing his candidature for the office of the Director as per the provisions of Section 257 of the Companies Act, 1956, be and is hereby, appointed as the Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Mahendra Kumar Aggarwal, who was appointed as an Additional Director of the Company and who ceases to hold office as per the provisions of Section 260 of the Companies Act, 1956, at the ensuing Annual General Meeting, and in respect of whom, the Company has received a notice in writing proposing his candidature for the office of the Director as per the provisions of Section 257 of the Companies Act, 1956, be and is hereby, appointed as the Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 310 of the Companies Act, 1956, read with Schedule XIII thereof, the consent of the Company, be and is hereby, accorded to the increase in the remuneration of Mr. Navjeet Singh Sobti, the Managing Director of the Company, from Rs. 50,000/- per month to Rs. 75,000/- per month by way of salary with effect from 1st April, 2004 and other terms and conditions with respect to the perquisites are :

#### Perquisites

- (a) Free furnished Company's owned / hired / leased accommodation alongwith benefits of gas, fuel, water, electricity, telephone, as also upkeep and maintenance of such accommodation

OR

House Rent Allowance @ 30% of the Basic Salary as above


**Allianz Securities Limited**

- (b) Reimbursement of actual medical expenses incurred in India and / or abroad for self and family (including dependent children and parents), subject to one month of basic salary in a year.
- (c) Leave Travel Allowance for self and family (including dependent children and parents) once in a year @ one month of basic salary.
- (d) Club Fees of two Clubs in India (including admission and life membership fees)
- (e) Personal Accident Insurance Premium as per the Rules of the Company.
- (f) Company's Contribution towards Provident Fund and Superannuation Fund as per the Rules of the Company.
- (g) Gratuity as per Rules of the Company.
- (h) Company's Car for use of Company's business. Provision of this facility shall not be considered as a perquisite.
- (i) Leave and encashment of leave, in accordance with the Rules of the Company.
- (j) Educational support for dependent children including their travel, hostel fees and tuition fees, subject to a maximum of one month's salary in a year.
- (k) Reimbursement of the Actual Corporate Relations expenses.

In addition to the above, the Managing Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

**Minimum Remuneration**

Notwithstanding anything contained hereinabove, where in any financial year during the currency of the appointment, the Company has no profits or its profits are inadequate, the remuneration payable to the Managing Director as basic salary, perquisites and any other allowances shall be governed and be subject to the ceilings provided under Section II of Part II of Schedule XIII to the Companies Act, 1956."

7. To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in modification of the resolution passed by the Company pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the consent of the Company, in terms of the aforesaid Section of the Act, be and is hereby, accorded to the Board of Directors of the Company, borrowing from time to time for the purpose of the Company's business any sum or sums of money as it may deem proper notwithstanding that the moneys to be so borrowed together with the moneys already borrowed by the Company, if any, (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves, if any, that is to say, reserves not set apart for any specific purpose, provided that the total amount of the moneys to be so borrowed by the Board together with moneys already borrowed (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed Rs.100 Crores (Rupees One Hundred Crores) at any time, and that the Board of Directors, be and is hereby, empowered and authorized to arrange or fix the terms and conditions of all such moneys to be borrowed from time to time as to the interest, repayment, security or otherwise as they may think fit."

8. To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT the existing Capital Clause (Clause V) of the Memorandum of Association of the Company, be and is hereby, re-organised by the following Re-organised Clause V:


**Allianz Securities Limited**
**Existing Clause V :**

- V. The Authorised Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores) divided into 1,50,00,000 (One Crore and Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each.

**Re-organised Clause V :**

- V. The Authorised Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores) divided into 2,50,00,000 (Two Crores and Fifty Lacs) Equity Shares of Rs. 6/- (Rupees Six) each.

9. To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 81(1), 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the provisions of the Memorandum and Articles of Association of the Company and in accordance with the Listing Agreements entered into by the Company with the Stock Exchanges, where the shares of the Company are listed, and subject to the approval of Securities and Exchange Board of India (hereinafter referred to as "SEBI"), Reserve Bank of India (hereinafter referred to as "RBI") and all other appropriate authorities and departments, if and to the extent necessary, and such other approvals, permissions and sanctions, as may be necessary, the consent of the Company, be and is hereby, accorded to the Board of Directors or any Committee thereof duly constituted by the Board of Directors, to create, offer, issue and allot Equity Shares/ Fully and / or Partly Convertible Bonds, and / or Debentures / any securities convertible into Equity Shares, whether optionally or otherwise, with or without warrants and/or any other financial instruments (hereinafter referred to as "Securities"), as the Board, or any Committee thereof duly constituted by the Board of Directors, in its sole discretion at any time or times hereafter, which Securities when issued or allotted would not exceed 1,42,50,000 (One Crore Forty Two Lakhs & Fifty Thousand) Equity Shares of Rs. 6/- each for cash at par or at a premium including oversubscription, if any, to the existing shareholders of the Company, on a Rights Basis or by way of Public Issue or in such manner as the Board or any Committee thereof duly constituted by the Board of Directors, may, in its absolute discretion, think fit, in consultation with the Lead Managers, Advisors and/or such other person or persons and on such terms and conditions, including the ratio in which such Securities may be offered, issued and allotted to the existing shareholders (if the issue is to be Rights Issue), the number of Securities to be issued, face value of the Securities, rate of interest, amount of premium, number of Equity Shares to be allotted on conversion, exercise of rights attached with warrants, ratio of exchange of shares and / or warrants and / or any other financial instrument, period of conversion, fixing of record date or book closure and other related or incidental matters.

FURTHER RESOLVED THAT for the purpose of giving effect to any or all of the foregoing, the Board or any Committee thereof, duly constituted by the Board, be and is hereby, authorized to prescribe and finalise the Offer Document, Form of Application and Renunciation and other documents in respect of such further Securities, appoint Lead Manager(s) to the issue and other intermediaries as specified in the applicable laws, rules, regulations and guidelines, for the time being in force, and do all such acts, deeds and things as it may, in its sole discretion, deem necessary and settle any or all matters arising with respect to the issue, allotment and utilization of the proceeds of the issue of Securities, and further do all such acts, deeds and things and finalise and execute all such deeds, documents, agreements and writings, as may be necessary for the purpose of giving effect to the resolution.





RESOLVED FURTHER THAT the Board or any Committee thereof, duly constituted by the Board, be entitled to vary, modify, or alter any of the foregoing terms and conditions to conform to those as may be approved by the SEBI, RBI or any other appropriate authority and department.

FURTHER RESOLVED THAT for the purpose of giving effect to the above, the Board or any Committee thereof, duly constituted by the Board, be and is hereby, authorized to do all such things as necessary to the issue and allotment of the said Securities / Equity Shares, and to take such action or give such directions as may be necessary or desirable, and to accept any modifications in the proposal and terms of the issue, including the price of the Equity Shares to be so issued or to be issued against or conversion of such Securities or the ratio or number in which the New Equity Shares or Securities are to be offered, which may result in a change in the total amount of the issue, as may be considered necessary by the Board or any Committee thereof, duly constituted by the Board, or as may be prescribed in granting approvals to the Issue and which may be acceptable to the Board or any Committee thereof, duly constituted by the Board, and to decide the Basis of Allotment and settle any question or difficulty that may arise in regard to the Issue and Allotment of the New Equity Shares or Securities or on conversion of said Securities into Shares or on issue of Shares against such Securities."

## NOTES

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in writing, should, however, be deposited at the Registered Office of the Company, not less than forty eight hours before the commencement of the Meeting.
2. Explanatory Statement for Item Nos. 4, 5, 6, 7, 8 and 9 of this Notice is annexed hereto.
3. Shareholders are requested to bring their copy of Annual Report to the Meeting.
4. Members / Proxies should bring the Attendance Slip, duly filled in, for attending the Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is first in the order of names, will be entitled to vote.
6. Members who hold shares in the Dematerialised form, are requested to write their Client ID and DP ID Numbers and those who hold shares in the Physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for public inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. upto and inclusive of the date of the Annual General Meeting.
8. The Company has already notified the Closure of Register of Members and Share Transfer Register from 22.07.2004 to 31.07.2004 (both days inclusive) pursuant to Section 154 of the Companies Act, 1956.
9. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
10. Re-appointment / Appointment of Directors:  
At the ensuing Annual General Meeting, Mr. Kawaljit Singh and Mr. Ashwajit Singh, Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment. Mr. G. P. Agrawal and Mr. Mahendra Kumar Aggarwal are proposed to be appointed as Directors liable to retire by rotation. The information or details pertaining to these Directors, to be provided in terms of Clause 49 of Listing Agreement, are furnished in the Statement on Corporate Governance published in this Annual Report.

By Order of the Board of Directors

Place : New Delhi  
Date : 12.06.2004

**KAWALJIT SINGH**  
Chairman

**Allianz Securities Limited**

## **EXPLANATORY STATEMENT**

**Pursuant to Section 173(2) of the Companies Act, 1956**

### **Item No. 4**

Mr. G. P. Agrawal was appointed as an Additional Director of the Company by the Board of Directors. He has got more than 25 years of experience in the fields of Corporate Affairs, Project Financing, Capital Market, Company Law and Other Legal Matters in the Private Sector. Besides, he has also handled a number of Public as well as Rights Issues. It is proposed to appoint Mr. G. P. Agrawal as a Director of the Company, liable to retire by rotation, in the Annual General Meeting and in respect of whose candidature, a notice in writing has been received from a member of the Company, pursuant to Section 257 of the Companies Act, 1956.

Therefore, the Board of Directors recommended the resolution for the members' approval.

None of the Directors, except Mr. G. P. Agrawal, is in any way concerned or interested in the said Resolution.

### **Item No. 5**

Mr. Mahendra Kumar Aggarwal was appointed as an Additional Director of the Company by the Board of Directors. He has got more than 38 years of experience with the State Bank of India, and is the former Managing Director of State Bank of Hyderabad (the largest subsidiary of State Bank of India and the 5th Best-Rated Public Sector Bank). It is proposed to appoint Mr. Mahendra Kumar Aggarwal as a Director of the Company, liable to retire by rotation, in the Annual General Meeting and in respect of whose candidature, a notice in writing has been received from a member of the Company, pursuant to Section 257 of the Companies Act, 1956.

Therefore, the Board of Directors recommended the resolution for the members' approval.

None of the Directors, except Mr. Mahendra Kumar Aggarwal, is in any way concerned or interested in the said Resolution.

### **Item No. 6**

Mr. Navjeet Singh Sobti was re-appointed as the Managing Director of the Company in the year 2000. His remuneration has been increased from Rs. 50,000/- per month to Rs. 75,000/- per month w.e.f. 1st April, 2004. The said increase is in conformity with the requirements of Sections 198, 309(3) and 310 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956, and needs the approval of the Members in the General Meeting. Therefore, the Board recommends the said Resolution to be passed as an Ordinary Resolution.

None of the Directors of the Company, except Mr. Navjeet Singh Sobti, is in any way, concerned or interested in the said Resolution.

### **Item No. 7**

Since the operations of the Company are increasing in scale and in view of the expansion plans of the Company, it would be in the large interest of the Company, and ultimately the Members of the Company, if the Board of Directors is empowered to borrow funds in excess of the paid-up capital and free reserves of the Company and employ the same in the implementation of the expansion plans and in high yielding securities. As the power to borrow money in excess of the paid-up capital and free reserves of the Company, can be exercised by the Board only with the prior approval of the Members in the General Meeting, therefore, the Directors recommend the Resolution to be passed by Members as an Ordinary Resolution.

None of the Directors of the Company is, in any way, interested or concerned in the said Resolution.





**Allianz Securities Limited**

**Item No. 8**

In pursuance of the Order of the Hon'ble High Court, Delhi; Dt. 8th April, 2004, the Paid-up Share Capital of the Company has been reduced from Rs. 10,61,31,000/- divided into 1,06,13,100 Equity Shares of Rs. 10/- each, to Rs. 6,36,78,600/- divided into 1,06,13,100 Equity Shares of Rs. 6/- each. As the face value of the present Issued Equity Shares of the Company has been reduced from Rs. 10/- each to Rs. 6/- each, it is proposed to re-organise the Capital Clause (Clause-V) of the Memorandum of Association of the Company so as to make the face value of the Equity Shares at Rs. 6/- each.

Therefore, the Directors recommended the said Resolution to be passed by Members as a Special Resolution.

None of the Directors of the Company is, in any way, interested or concerned in the said Resolution.

**Item No.9**

The Board of Directors of the Company, in its meeting held on 12th June, 2004, discussed and approved the proposed Resolution for the Further Issue of Share Capital of the Company, which would, in turn, result in an increase in the Net Worth of the Company. Accordingly, the Company contemplates to issue the further securities to the person or persons, who are not necessarily the members of the Company. Therefore, in pursuance of Section 81(1A) of the Companies Act, 1956, the proposal shall require the members' consent by way of a Special Resolution. Further, the number of securities to be issued, face value of the securities, rate of interest, premium, number of Equity Shares to be allotted on conversion, exercise of rights attached to the warrants, ratio of exchange of shares and / or warrants and / or any other financial instruments, period of conversion, fixing of record date or book closure, etc. shall be determined by the Board of Directors or any Committee thereof, duly constituted by the Board.

Therefore, the Board recommended the said Resolution for members consent by way of Special Resolution.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

By Order of the Board of Directors

Place : New Delhi  
Date : 12.06.2004

**KAWALJIT SINGH**  
Chairman



## DIRECTORS' REPORT

### TO THE MEMBERS,

Your Directors hereby present the 10th Annual Report together with the Audited Accounts for the Financial Year ended 31st March, 2004.

### FINANCIAL HIGHLIGHTS

Financial Results of the Company for the year under review are summarized as under :

|  | (Rs. in Lacs)            |                          |
|--|--------------------------|--------------------------|
|  | Year Ended<br>31.03.2004 | Year Ended<br>31.03.2003 |
| Gross Income                                   | 2222.66                  | 882.49                   |
| Profit before Interest, Depreciation & Tax     | 345.77                   | 124.43                   |
| Less: Interest                                 | 47.19                    | 0.07                     |
| Less: Depreciation                             | 9.87                     | 7.48                     |
| Less: Provision for Tax                        | 94.90                    | 7.25                     |
| Prior Period adjustment / Extra Ordinary Items | 1.38                     | (26.87)                  |
| Net Profit after Tax                           | 195.19                   | 82.76                    |
| Profit/(Loss) brought forward                  | (399.07)                 | (481.83)                 |
| Surplus/(Deficit) carried to Balance Sheet     | (203.88)                 | (399.07)                 |

### RESULTS OF OPERATIONS

**Revenues:** Total revenues for the year ended March, 31, 2004 grew by 151.86% over the previous reporting period.

**Profits:** Profit before taxes for the fiscal year 2003-04 amounted to Rs. 290.09 Lacs. The Profit after Tax for the fiscal year was 195.19 Lacs as against Rs. 82.76 Lacs in the previous fiscal period. Thus, your Company has posted a Profit after Tax which is around 2.36 times the Profit after Tax of the FY'03.

### DIVIDEND

Since your Company needs additional resources to start new lines of activities such as the NSE Membership, etc., therefore, it is felt necessary to conserve the available resources and in view of that, your Directors have decided not to recommend any dividend on the Equity Shares of the Company for the current financial year.

### FIXED DEPOSITS

During the year under review, your Company has settled all the requests of the Depositors for the payment of their deposits. However as on 31st March, 2004, the amount of the unclaimed deposits is Rs. 2,94,401/- only.

### REDUCTION OF CAPITAL

During the year under review, your Company applied for the Reduction of the Paid-up Share Capital of the Company before the Hon'ble High Court, Delhi. The Hon'ble High Court of Delhi, vide its Order