

*11th  
Annual  
Report*

*2004-2005*

Report  Junction.com



*THE FINANCIAL POWERHOUSE*

**ALLIANZ SECURITIES LIMITED**

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

Mr. Navjeet Singh Sobti	–	Managing Director
Mr. G.P. Agrawal	–	Director (Corporate Affairs)
Mr. M.L. Kampani	–	Non-Executive Director
Mr. C.K. Tikku	–	Non-Executive Director
Mr. Jagdeep Singh	–	Non-Executive Director
Mr. M.K. Aggarwal	–	Non-Executive Director
Mr. S.R. Bansal	–	Non-Executive Director
Dr. Surinder P.S. Pruthi*	–	Non-Executive Director

\* Dr. Pruthi has resigned from the Board of Directors  
w.e.f. 16.07.2005

**AUDITORS**

M/s. H.K. Chhabra  
Chartered Accountants  
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  
Punjab National Bank

**TRANSFER AGENTS**

M/s Beetal Financial & Computer Services (P) Ltd.  
"Beetal House" 3rd Floor,  
99, Madangir, Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir,  
New Delhi - 110062  
Phones : 29961281, 29961282

**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**

Prasad Chambers, Block B-201, 2nd Floor,  
10A, Shakespeare Sarani, Kolkata-700 017

**Ahmedabad**

308, 3rd Floor, Samedh Building,  
Near Associated Petrol Pump,  
C. G. Road, Panchwati, 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

**Noida**

302, Ocean Plaza,  
P-5, Sector-18,  
Noida-201301

**Lucknow**

1st Floor, Shukla Palace,  
Sapru Marg, Lucknow

CONTENTS	PAGE NO.
Notice	2
Directors' Report	12
Report on Corporate Governance	16
Management Discussion & Analysis Report	37
Auditors' Report	39
Balance Sheet	42
Profit & Loss Account	43
Schedules	44
Cash Flow Statement	57
Balance Sheet Abstract	58



**Allianz Securities Limited**

## NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the Members of ALLIANZ SECURITIES LTD. will be held on Wednesday, the 28th day of September, 2005, at 2.30 P.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, 2005, Profit & Loss Account for the year ended 31st March, 2005 and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. C. K. Tikku, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jagdeep Singh, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint the Statutory Auditors and fix their remuneration.

### SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. S.R. Bansal, 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."

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

"RESOLVED THAT Dr. Surinder P. S. Pruthi, 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."

8. 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 269, 198, 309 and 310, read with Schedule XIII and other applicable provisions, if any, including any amendment/substitution thereof, of the Companies Act, 1956 and all applicable guidelines for managerial remuneration issued by the Central Government from time to time, and also the relevant provisions of the Articles of Association of the Company, Mr. Navjeet Singh Sobti, Managing Director of the Company, be and is hereby, re-appointed as the Managing Director of the Company for a further period of five years w.e.f. 1st April, 2005 to 31st March, 2010, on the remuneration as fixed by the Remuneration Committee."

9. 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, 309(3) and 310 read with Schedule XIII and other applicable provisions, if any, including any amendment/substitution thereof, of the Companies Act, 1956 and all applicable guidelines for managerial remuneration issued by the Central Government from time to time, and also the relevant provisions of the Articles of Association of the Company, Mr. Navjeet Singh Sobti,


**Allianz Securities Limited**

Managing Director of the Company, shall receive remuneration and perquisites as detailed hereunder, on his re-appointment as the Managing Director of the Company for a period of five years w.e.f. 1st April, 2005 :

**A. Salary**

- ★ Basic Salary in the Scale of Rs. 85,000–10,000–1,25,000/- per month.
- ★ Commission upto 1% of the net profits of the Company for the Financial Year computed in the manner laid down in Sections 349 and 350 of the Companies Act, 1956, except that the remuneration of the directors shall not be deducted from the gross profits. The exact percentage of Commission shall be such as may be decided by the Remuneration Committee from time to time, subject to the total remuneration not exceeding 5% of the Net Profits as provided in Section 309 read with Sections 198, 310 and Schedule XIII of the Companies Act, 1956.

**B. Perquisites**

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

OR

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

- (b) Re-imbursement 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 the Rules of the Company.
- (h) Company's car for use of Company's business.
- (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) Re-imbursement 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.

**C. Minimum Remuneration**

Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay the abovesaid remuneration by way of salary, perquisites and allowances as specified above."

10. 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 269, 198, 309 and 310, read with Schedule XIII and other applicable provisions, if any, including any amendment/substitution thereof, of the Companies Act, 1956 and all applicable guidelines for managerial remuneration issued by the Central Government from time to time, and subject to the approval of the Company in General Meeting, Mr. G.P. Agrawal, Director of the Company, be and is hereby, appointed as the Wholetime Director of the Company, designated as the Director


**Allianz Securities Limited**

(Corporate Affairs) for a period of five years w.e.f. 1st April, 2005 to 31st March, 2010, on the remuneration as may be fixed by the Remuneration Committee from time to time."

11. 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 269, 198, 309(3) and 310 read with Schedule XIII and other applicable provisions, if any, including any amendment/substitution thereof, of the Companies Act, 1956 and all applicable guidelines for managerial remuneration issued by the Central Government from time to time, Mr. G. P. Agrawal, Director of the Company, shall receive remuneration and perquisites as detailed hereunder, on his appointment as the Wholetime Director, designated as the Director (Corporate Affairs) of the Company for a period of five years w.e.f. 1st April, 2005 :

**A. Salary**

Basic Salary in the Scale of Rs. 45,000–5,000–65,000/- per month.

**B. Annual Performance Incentive**

As may be decided by the Board/Committee of the Board, subject to the ceiling of 100% of salary.

**C. Perquisites**

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

OR

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

- (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 the Rules of the Company.
- (h) Bonus / ex gratia payments as per the Rules of the Company
- (i) Company's car for use of Company's business.
- (j) Leave and encashment of leave, in accordance with the Rules of the Company.
- (k) 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.
- (l) Reimbursement of the Actual Corporate Relations expenses.

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

**D. Minimum Remuneration**

Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay the remuneration by way of salary, perquisites and allowances as specified above."


**Allianz Securities Limited**

12. 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 Section 293(1)(e) of the Companies Act, 1956, and other applicable provisions, if any, the Board of Directors of the Company, be and is hereby, authorised to contribute, from time to time, in any financial year, to any institute, body, trust, society, association, or person, funds for any charitable or other purposes, not directly relating to the business of the Company or the welfare of its employees, to the extent of Rs. 25 Lakhs per annum, notwithstanding that the said amount may exceed the limits laid down in Section 293(1)(e) of the Companies Act, 1956."

13. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

"RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company, be and is hereby, substituted by the following :

V The Authorised Share Capital of the Company is Rs. 15,00,00,000 only (Rupees Fifteen Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 6/- (Rupees Six) each and 3,00,000 (Three Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred) each."

14. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to Article 4 of the Articles of Association of the Company and subject to the other statutory approvals, if any, 300000 (Three Lacs) Preference Shares of Rs. 100/- each (Rupees One Hundred) forming part of the Authorised Capital of the Company aggregating to Rs. 3,00,00,000 only (Rupees Three Crores only) be issued at par and allotted to any person or persons as the Board of Directors or the Committee thereof, duly constituted by the Board, deem fit on the terms and conditions as may be determined by the Board of Directors or the Committee thereof, duly constituted by the Board, from time to time.

15. 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 sub clause (2A) of Section 149 and / or any other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company, be and is hereby, accorded to the commencement of the business by the Company as given in sub clause (4) of clause III (C) of the Memorandum of Association of the Company namely :

To carry on the business of electrical engineers, air conditioner contractors, electricians, engineers, contractors, manufacturers, suppliers and dealers in electrical and other appliances, cables, wire lines, dry-cells, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity for the purpose of light, heat, motive power and for all other purposes for which electrical energy can be employed and to manufacture, and deal in all apparatuses and things required for or capable of being used in connection with the generation distribution, supply, accumulation and employment of electricity, including in the term electricity all power that may be directly or indirectly, derived therefrom or may be incidentally hereinafter discovered in dealing with electricity."

16. 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 applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions, and such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of


**Allianz Securities Limited**

Directors of the Company, the consent of the Company, be and is hereby, accorded for investments by Foreign Institutional Investors (FIIs), Overseas Corporate Bodies (OCBs), Non-Resident Indian/s(NRIs) including their sub-accounts (hereinafter referred to as the "Foreign Investors"), in the shares of the Company, by purchase or acquisition from the market under FEMA, subject to the condition that the total holding of all Foreign Investors put together shall not exceed 49 per cent of the issued share capital of the Company as may be applicable or such other maximum limit as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby, authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

**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. 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 & 16 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. up to 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 20.09.2005 to 28.09.2005 (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. C. K. Tikku and Mr. Jagdeep Singh, Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment. Mr. S. R. Bansal is proposed to be appointed as a Director liable to retire by rotation. Mr. Navjeet Singh Sobti has been re-appointed as the Managing Director of the Company for a period of 5 years w.e.f. 1st April, 2005 to 31st March, 2010, while Mr. G.P. Agrawal, Director, has been appointed as the Whole time Director of the Company designated as the Director (Corporate Affairs) for a period of 5 years w.e.f. 1st April, 2005 to 31st March, 2010. The information or details pertaining to these Directors, to be provided in terms of Clause 49 of Listing Agreement, are furnished in the Report on Corporate Governance in this Annual Report.

By Order of the Board of Directors

Place : New Delhi  
Date : 25.06.2005

**RAJIV L. JHA**  
Company Secretary



## EXPLANATORY STATEMENT

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

### Item No. 6

Mr. S. R. Bansal was appointed as an Additional Director of the Company by the Board of Directors. He has got more than 35 years of experience in the fields of Corporate Affairs, Finance & Audit, Capital Market, and other Legal Matters. His professional standing includes his working as an Advisor in La Corporate Affaire, Corporate Consultants, besides being the Senior Partner of M/s S. R. Bansal & Co., Chartered Accountants. He is the Member of Institute of Internal Auditors (USA), Member of Association of Certified Fraud Examiners (USA), worked with M/s S. R. Batliboi & Co. (now Ernst & Young, an international consultancy firm), conducted special economics in depth investigations, due diligence w.r.t. takeovers and collaboration arrangements, besides his association with M/s Khaitan & Co., Solicitors and Advocates.

It is proposed to appoint Mr. S. R. Bansal 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. Further, in terms of Clause 49 (IV)(E)(v) of the revised Clause 49 of the Listing Agreement, Mr. S. R. Bansal has intimated to the Board that he holds nil shares of the Company on his own or by/for other persons on a beneficial basis.

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

None of the Directors, except Mr. S. R. Bansal, is in any way concerned or interested in the said Resolution.

### Item No. 7

Dr. Surinder P. S. Pruthi was appointed as an Additional Director of the Company by the Board of Directors. He is an eminent Economist and Management Guru with a Ph. D. from the prestigious London School of Economics. He has been a visiting Faculty Associate at the prestigious Harvard Business School, a Founder Faculty of the Indian Institute of Management, Ahmedabad and Executive Counselor and Vice Chancellor of University of Mumbai. Dr. Pruthi's corporate experience spans over several years covering small, medium and large National and International Corporations, State Governments, Multinationals, Utilities, NGOs, Social Sector, viz. Tourism, Aviation, Education, Entertainment, Health, Banks, Financial Institutions, NBFCs, besides his experience as a Government Nominee and Professional Director on various Nationalised Banks and major PSUs.

It is proposed to appoint Dr. Surinder P. S. Pruthi 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. Further, in terms of Clause 49 (IV)(E)(v) of the revised Clause 49 of the Listing Agreement, Dr. Pruthi has intimated to the Board that he holds nil shares of the Company on his own or by/for other persons on a beneficial basis.

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

None of the Directors, except Dr. Surinder P. S. Pruthi, is in any way concerned or interested in the said Resolution.

### Item No. 8

The term of office of Mr. Navjeet Singh Sobti, as the Managing Director of the Company, expired on 31st March, 2005, and accordingly, the Board of Directors of the Company in its meeting held on 22nd January, 2005, re - appointed him as the Managing Director of the Company for a further period of 5 years ending on 31st March, 2010, on the terms and conditions of re-appointment as recommended by the Remuneration Committee of the Company. In accordance with Section 269 read with Part I & III of Schedule XIII to the Companies Act, 1956, the said re-appointment 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.


**Allianz Securities Limited**
**Item No. 9**

Mr. Navjeet Singh Sobti has been re-appointed as the Managing Director of the Company by the Board of Directors in its meeting held on 22nd January, 2005, for a further period of 5 years ending 31st March, 2010, on the terms and conditions of re-appointment as recommended by the Remuneration Committee of the Board of Directors of the Company. His remuneration has been increased from Rs. 75,000/- per month plus other perquisites to the scale of Rs. 85,000 – 10,000 – 1,25,000/- per month w.e.f. 1st April, 2005. The said increase is in conformity with the requirements of Sections 198, 309(3) and 310 read with Schedule XIII and 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. 10**

Mr. G. P. Agrawal is a Non-executive Director of the Company. He is having a vast experience of around 25 years in the fields of corporate affairs and his presence is felt on a continuous and regular basis in the Company. Accordingly, the Board of Directors of the Company in its meeting held on 25th June, 2005, appointed him as the Wholtime Director, designated as Director (Corporate Affairs) of the Company w.e.f. 1st April, 2005, for a period of 5 years ending on 31st March, 2010, on the terms and conditions of appointment as recommended by the Remuneration Committee of the Company. In accordance with Section 269 read with Parts I & III of Schedule XIII to the Companies Act, 1956, the said appointment 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. G. P. Agrawal, is in any way, concerned or interested in the said Resolution.

**Item No. 11**

On the appointment of Mr. G. P. Agrawal as the Wholtime Director of the Company, designated as Director (Corporate Affairs), the Board of Directors has approved his remuneration as recommended by the Remuneration Committee. Pursuant to Section 269 read with Parts II & III of Schedule XIII to the Companies Act, 1956, the said fixation of remuneration requires the approval of the shareholders in the General Meeting of the Company.

Therefore, the Board recommends the said Resolution to be passed as an Ordinary Resolution.

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

**Item No. 12**

As per the provisions of Section 293(1)(e) of the Companies Act, 1956, the Board of Directors of a Public Company shall not, except with the consent of the members of such Public Company, contribute/donate to charitable and other funds which is/are not directly relating to the business of the Company or the welfare of its employees, in excess of Rs. 50,000/- or 5% of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956, during the three financial year, immediately preceding, whichever is greater.

Acknowledging the Company's increased responsibility towards social, philanthropic and other causes of public utility, your Directors recommend for approval by the shareholders that the limit of contribution/donation to the charitable and/or other funds, be fixed not exceeding Rs. 25 Lakhs per annum.

Therefore, the Board recommends the said Resolution to be passed 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. 13**

In order to make provisions for the issuance of the preference shares in future, your Directors recommend for approval by the shareholders, the alteration in the Capital Clause (Clause V) of the Memorandum of Association of the Company by inserting the provision for issuance of Preference Shares.

Therefore, the Board recommends the said Resolution to be passed as a Special Resolution.

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

**Item No. 14**

In order to authorize the Board or Committee thereof, duly constituted, to issue 300000 Preference Shares of Rs. 100/- each, forming part of the Authorised Capital of the Company, in future, on such terms and conditions as may be decided by the Board or any Committee thereof, duly constituted by the Board, from time to time, your Directors recommend the said Resolution to be passed by the shareholders in the ensuing Annual General Meeting of the Company, authorizing the Board or any Committee thereof, duly constituted, to issue Preference Shares on such terms and conditions as may be decided from time to time by the Board or any Committee thereof, duly constituted by the Board.

Therefore, the Board recommends the said Resolution to be passed as a Special Resolution.

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

**Item No. 15**

On account of the liberal and attractive incentive schemes being offered by the various State Governments, and the Tax concession proposals of the Central Government, power generation projects in the area of wind and hydel have become attractive, and your Company is exploring the possibility of going for windpower / hydel power generation. Sub-clause (4) of Clause III (C) of the "Other Objects" Clause of the Memorandum of Association of the Company permits the Company to undertake these activities. However, the same requires the members' consent.

Therefore, the Board recommends the said Resolution to be passed as a Special Resolution.

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

**Item No. 16**

As various persons resident outside India such as the Foreign Institutional Investors, etc., are showing keen interest in your Company and recently have started investing in the equity shares of the Company, in view of that, your directors recommend the said Resolution to be passed by the shareholders of the Company in the ensuing Annual General Meeting authorizing the Board or any Committee thereof to be duly constituted, to accept the foreign shareholdings to the extent of 49% of the Issued Capital of the Company.

Therefore, the Board recommends the said Resolution to be passed as a Special Resolution.

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

By Order of the Board of Directors

Place : New Delhi  
Date : 25.06.2005

**RAJIV L. JHA**  
Company Secretary