

MD	✓		BEC	✓
CS	✓		DY	✓
RO	✓		DY	✓
TEA	✓		AC	✓
AGM	✓	✓	ST	✓
YE	✓	✓		✓

6th

ANNUAL REPORT

1996-97

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ALLIANZ CAPITAL & MANAGEMENT SERVICES LIMITED



Allianz Capital & Management Services Ltd.

THE FINANCIAL POWERHOUSE

BOARD OF DIRECTORS

Shri Kawaljit Singh (Chairman)
 Shri Ashwajit Singh (Managing Director)
 Count Nicolo Sella Di Monteluca
 Shri Navjeet S. Sobti
 Shri C.K. Tikku
 Shri M.L. Kampani

REGISTERED OFFICE :

C-2 Green Park Extension
 New Delhi-110 016

BRANCH OFFICES :*Mumbai*

B-2, EMCA House
 289, Shahid Bhagat Singh Road
 Fort, Mumbai-400 001.

Chennai

'K' Third Floor, 'Prince Arcade'
 22-A, Cathedral Road,
 Chennai-600 086.

BANKERS

Punjab & Sind Bank
 Bank of America

AUDITORS

M/s Jain Gaurav & Associates
 Chartered Accountants
 879, Sector 28
 Faridabad

CONTENTS	PAGE
Notice	03
Director's Report	05
Auditors Report	08
Balance Sheet	10
Profit & Loss Account	11
Cashflow Statement	21



Allianz Capital & Management Services Ltd.

THE FINANCIAL POWERHOUSE

NOTICE

NOTICE is hereby given that the 6th Annual General Meeting of the Members of **ALLIANZ CAPITAL & MANAGEMENT SERVICES LTD.** will be held on Monday, the 29th June, 1998 at 9.30 A.M. at Indian Law Institute, Bhagwan Das Road, New Delhi to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 30th September, 1997, Profit & Loss Account for the year ending on that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kawaljit Singh who retires by rotation and being eligible, offers himself for re-appointment.
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 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

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

"RESOLVED THAT Mr. Navjeet S. Sobti who was appointed as an Additional Director and who ceases to hold office as per provisions of Section 260 of the Companies Act, 1956 at 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 Director of the Company, liable to retire by rotation."

6. To consider and if thought fit to pass, with or without modification the following resolution as Special Resolution:

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board") the consent of the Company be and is hereby accorded to the Board to acquire/purchase any of its own fully paid shares on such terms and conditions and up to such limits as may be prescribed by law from time to time. Provided that acquisition/purchase of such fully paid Equity Shares of the Company be not construed as reduction of Equity Share Capital which is subject to the controls as stipulated in Sections 100 to 104 and Section 402 of the Companies Act, 1956, for the time being in force and that the Board of Directors of the Company be and is hereby authorised to do all such acts and things as may be necessary or proper to implement this resolution"

sions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board") the consent of the Company be and is hereby accorded to the Board to acquire/purchase any of its own fully paid shares on such terms and conditions and up to such limits as may be prescribed by law from time to time. Provided that acquisition/purchase of such fully paid Equity Shares of the Company be not construed as reduction of Equity Share Capital which is subject to the controls as stipulated in Sections 100 to 104 and Section 402 of the Companies Act, 1956, for the time being in force and that the Board of Directors of the Company be and is hereby authorised to do all such acts and things as may be necessary or proper to implement this resolution"

"RESOLVED FURTHER that consent be and is hereby given to the consequent amendment in the Articles of Association of the company wherever required".

By Order of the Board of Directors

(KAWALJIT SINGH)
CHAIRMAN

Date : 29-05-98
Place: New Delhi.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED



THE FINANCIAL POWERHOUSE

Allianz Capital & Management Services Ltd.

AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.

2. The Explanatory Statement setting out material facts, in respect of the business under item No. 5 & 6 is annexed hereto.
3. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 a.m. and 1.00 P.M. up to the date of Annual General Meeting.
4. Members/ Proxies should bring the Attendance Slip duly filled in for attending the meeting.
5. The Register of Members shall remain closed from Tuesday the 16th June, 1998 to Saturday the 20th June, 1998 (both days inclusive).
6. Shareholders seeking any information or having any query with regard to accounts are requested to write to the Company early so as to enable the Management to keep the information ready.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT 1956 : Explanatory Statement for Item Nos. 5 & 6 set out herein above is as under :

Item No. 5

Mr. Navjeet S.Sobti was appointed as Additional Director of the company by the Board of Directors. He is a fellow member of Institute of Chartered Accountants of India. He has over 10 years of experience in Financial Services sector, in various areas such as Corporate Finance, Money Markets and Merchant Banking. It is proposed to appoint Mr. Navjeet S.Sobti as director of the company in the Annual General Meeting. None of the directors are in any way concerned or interested in this matter.

The Board of Directors recommend the resolution for the Members' approval.

Item No. 6

Pursuant to the provisions of Section 77 of the Companies Act, 1956 a Company registered under the Act is prohibited to acquire/purchase its own shares, except as provided under that Section or in pursuance of an order by the Company Law Board under Section 402 of the Act. Purchase of its own shares by the Company tentamounts to reduction of Share Capital which has to be approved by the Court in accordance with the provisions of Section 100 to 104 of the Companies Act, 1956.

The Companies Bill pending approval of the Parliament provides for a clause for the purchase of its own shares by Companies. Towards fulfilling the objective of bringing conformity with the proposed enactment the Company considers it expedient and necessary to pass an enabling resolution giving power to the Company to purchase its own shares as and when it may be provided for in the parent enactment.

It is to be understood that purchase of its own shares by the company as proposed in the Resolution at Item No. 6 of the Notice and the Consequent Amendments to the Articles of Association as proposed in the Resolution should not be construed as reduction of Share Capital which is subject to provisions of Section 100 to 104 and Section 402 of the Companies Act, 1956.

Accordingly your Directors recommended this resolution for your approval. None of the Directors of the Company are concerned are interested in the above resolution.

By Order of the Board of Directors

(KAWALJIT SINGH)
CHAIRMAN

Registered Office :
C-2, Green Park Extn.,
New Delhi-110016.

Date: 29-05-98



Allianz Capital & Management Services Ltd.

THE FINANCIAL POWERHOUSE

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the 6th Annual Report together with Audited Accounts for the financial year ended 30th September, 1997.

FINANCIAL RESULTS:-

Financial results of the Company for the year under review are summarised below:-

	Year ended 30-09-97 (15 months)	Year ended 30-06-96 (12 months)
	(Rs.in lacs)	
Gross Income	583.14	1006.83
Gross Operating Profit/(Loss)	200.65	677.84
Profit/(Loss) Before Tax	(1071.74)	178.54
Provision for Taxation	-	-
Profit/(Loss) After Tax	(1071.74)	178.54
Net Worth	729.07	1672.40

PERFORMANCE

The financial year 1996-97 has been a difficult period for the Financial Services Sector. During the year company booked loss to the tune of Rs. 1088.61 lacs. Due to frequent change in guidelines by the regulators and loss in confidence in the industry following the CRB fallout, the entire industry is facing a turmoil. The loss incurred by the company is mainly due to depressed capital market conditions and provisioning for non performing assets and other provision such as depletion in investments etc. As a prudent policy and as required by R.B.I's prudential norms the company has made these provisions. However the company is focussing only on core areas having better value addition and is hopeful to achieve good results in the next financial year.

DIVIDEND

Since during the year under review, your company could not achieve the profits, your directors have not recommended any dividend for the current financial year. This is the first year since incorporation that the company which has consistently been paying dividends would not be paying dividend.

PROJECTIONS Vs ACTUALS

The Projections as made out in the Prospectus for the Public Issue of the Equity Shares made in March, 1996 and the Actual are as follows:

Particulars	Actuals for the year 1996-97 (Rs. in lacs)	Projections for the year 1996-97 (Rs. in Lacs)
Total Income	583.14	2693.01
Profit/(Loss) Before Tax	(1071.74)	1455.45
Profit/(Loss) After Tax	(1071.74)	1455.45
Dividend	-	35%
Equity Share Capital	562.09	720.00
Reserves & Surplus	166.98	3658.16
Earnings per Share (Rs.) (Weighted & Annualised)	-	19.00

The variation in Actuals and Projected are mainly due to depressed capital market conditions and provisioning for non performing assets and the shift from fund based business to non fund based business.

FIXED DEPOSIT

Fixed Deposit collections including Intercompany Deposits as on September 30, 1997 stood at Rs. 584.33 lacs. The Company does not have any overdue deposits during the financial year. The company has during the year under review reduced its fixed deposit liabilities from Rs. 676.54 lacs on June 30, 1996 to Rs. 584.33 lacs as on September 30, 1997. The company has decided to repay all its fixed deposits as per the existing guidelines of the Reserve Bank of India by December 2000.

FUNCTIONAL AREAS

During the year under review the main activities of the company was Money Market Operations and main function encompasses of the money market operations are placement of Bonds, Non Convertible Debentures and procurement of funds for Public Sector Undertakings. The company was ranked No. 7 in the debt placement in India for the year 1996-97. Your company has been arranger to placement of Bonds of all the major Public Sector Undertakings, Financial Institutions, State Financial Institutions, State Industrial Development Corporation. Your company



THE FINANCIAL POWERHOUSE

Allianz Capital & Management Services Ltd.

is also active in Secondary Market operations for placement of Govt. Securities, PSU Bonds etc. the major client of Money Market operations includes IDBI, ICICI, IFCI, HAL, IFCI, HPSEB, SCICI, HPSFCL, NHPC, IRFC, RSEB, UPFC, PSIDC, SAIL, TISCO, L & T and Arvind Mills.

FUTURE PROSPECTS

Notwithstanding the depressed capital market conditions your company has managed to create a position for itself in capital and money market operations. The company identifies debt market as the main thrust area for future growth. Your company has developed a very good working relationship with all the constituents of money market including commercial Banks, PFs, Religious & Charitable Trusts, Rural & Cooperative Banks etc. With the recent RBI guidelines, the company is envisaging a very good potential in the debt segment of secondary market operations.

DIRECTORS

Mr. Kawaljit Singh and Mr. C.K. Tikku, Directors of the Company are due for retirement by rotation at the ensuing Annual General Meeting. Mr. Kawaljit Singh and Mr. C.K. Tikku being eligible have offered themselves for reappointment. Your Directors recommended their appointment.

AUDITORS

M/s Jain Gaurav & Associates, Chartered Accountants was appointed as auditors of the company by the members at the Extraordinary General Meeting held on 30th April, 1998, due to resignation of M/s Price Water House, Chartered Accountants, are liable for the retirement at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

STATUTORY STATEMENTS

The statement pursuant to Section 217 (1) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 and pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 are annexed hereto form part of the report.

CONSERVATION OF ENERGY

Your Company, being in the business of financial services,

has not consumed energy of any significant level and accordingly no comments are necessary in respect of energy conservation and reduction of energy consumption.

TECHNOLOGY ABSORPTION

No comment is necessary considering the nature of activities undertaken by your company during the year under review.

FOREIGN EXCHANGE INCOME/OUTFLOW

There has been no foreign exchange income/outflow during the year under review.

PERSONNEL

Your Company draws its strength from its highly qualified, competitive and enterprising personnel drawn from the financial services sector with good experience. Your Company is headed by professionals drawn from various disciplines.

ACKNOWLEDGEMENTS

Your Directors place on record due appreciation of the trust reposed in your Company by the Investors, Depositors, Banks, Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and other government agencies. Your Directors also thank its Depositors, Clients and young team of professionals for their support.

Your Directors also place on record their sense of appreciation of the valuable contribution made by the staff of the Company.

On behalf of the Board

(KAWALJIT SINGH)
CHAIRMAN

Place : New Delhi
Date : 29-05-98



Allianz Capital & Management Services Ltd.

THE FINANCIAL POWERHOUSE

ANNEXURE
PARTICULARS OF EMPLOYEES
(Pursuant to Section 217 (2A) read with Companies
(Particulars of Employees)
Rules, 1975 forming part of Directors' Report)

Sl. No.	Name of the Employee	Designation	Qualifications	Age	Date of Commencement	Salary (Rs.)	Previous Employment
1.	Ashwajit Singh	Managing Director	F.C.A., F.C.S., M.Sc.(London School of Economics), Certified Internal Auditor (U.S.A.)	36	01/07/1993	Rs. 3.15 lacs p.a.	Practicing Chartered Accountant

1. Salary includes H.R.A. and other taxable value of perquisites.

