

14th

Annual Report

2005-2006

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Allianz Capital & Management Services Limited


Allianz Capital & Management Services Limited
BOARD OF DIRECTORS

Mr. Ramesh Peer	– Managing Director
Mr. Navjeet Singh Sobti	– Non-Executive Director
Mr. Samir Chhabra	– Non-Executive Director
Mr. Mahendra Kumar Aggarwal	– Non-Executive & Independent Director
Mr. Sanjay Grover	– Non-Executive & Independent Director

AUDITORS

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

COMPANY SECRETARY

Mr. Yashwant Gupta

BANKERS

HDFC Bank
UTI Bank Ltd.
Bank of Punjab Ltd.

REGISTRARS & 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-110 062

REGISTERED OFFICE

4A, 3rd Floor, 3 Scindia House,
Janpath, New Delhi-110 001

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Allianz Capital & Management Services Limited

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the Members of ALLIANZ CAPITAL & MANAGEMENT SERVICES LTD. will be held on Saturday, the 30th day of September, 2006, at 4.00 P.M. at M. P. C. U. Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi – 110054, to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2006, Profit & Loss Account for the year ended 31st March, 2006 and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. Samir Chhabra, who retires by rotation, and being eligible, offers himself for re-appointment.
4. 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 :

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :
 "RESOLVED THAT Mr. Navjeet Singh Sobti, who was appointed as an Additional Director 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 Director of the Company, liable to retire by rotation."
6. To consider and, if thought fit, to pass, with or without modification(s), 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 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 Mr. Sanjay Grover, 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 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 Mr. Ramesh Peer, who was appointed as an Additional Director as well as the Managing 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 Director of the Company, not liable to retire by rotation."


Allianz Capital & Management Services Limited
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. 5, 6, 7 & 8 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(s) 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 23.09.2006 to 30.09.2006 (both days inclusive) pursuant to Section 154 of the Companies Act, 1956
9. Corporate Members intending to send their authorized representative(s) 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. Samir Chhabra, Director of the Company, retires by rotation and, being eligible, offers himself for re-appointment. Mr. Navjeet Singh Sobti, Mr. Mahendra Kumar Aggarwal and Mr. Sanjay Grover are proposed to be appointed as Directors, liable to retire by rotation. Mr. Ramesh Peer, who was appointed as Additional & Managing Director is proposed to be appointed as a Director, not 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 in this Annual Report.

By Order of the Board of Directors

New Delhi
July 28, 2006

YASHWANT GUPTA
Company Secretary



Allianz Capital & Management Services Limited

EXPLANATORY STATEMENT

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

Item No. 5

Mr. Navjeet Singh Sobti was appointed as an Additional Director of the Company by the Board of Directors. Mr. Navjeet Singh Sobti is one of the Promoters of the Company. He is a Fellow Member of the Institute of Chartered Accountants of India. His main areas of specialization include Investment Banking, Corporate Advisory Services and Infrastructure Project Financing.

It is proposed to appoint Mr. Navjeet Singh Sobti as a Director of the Company, liable to retire by rotation, in the forthcoming 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. Navjeet Singh Sobti has intimated to the Board that he holds 492049 Equity Shares of the Company on his own or by/for other persons on a beneficiary basis.

Therefore, the Board of Directors recommends the resolution for the members approval.

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

Item No. 6

Mr. Mahendra Kumar Aggarwal was appointed as an Additional Director of the Company by the Board of Directors. He is having more than 38 years of experience with the State Bank of India, and he 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 forthcoming 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. Mahendra Kumar Aggarwal has intimated to the Board that he holds 600 Equity Shares of the Company on his own or by/for other persons on a beneficiary basis.

Therefore, the Board of Directors recommends 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. 7

Mr. Sanjay Grover was appointed as an Additional Director of the Company by the Board of Directors. He is a Fellow Member of The Institute of Chartered Accountants of India as well as a Fellow Member of The Institute of Company Secretaries of India. Mr. Sanjay Grover is having rich experience in corporate field.

It is proposed to appoint Mr. Sanjay Grover as a Director of the Company, liable to retire by rotation, in the forthcoming 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. Sanjay Grover has intimated to the Board that he holds 6000 Equity Shares of the Company on his own or by/for other persons on a beneficiary basis.

Therefore, the Board of Directors recommends the resolution for the members approval.

None of the Directors, except Mr. Sanjay Grover, is in any way concerned or interested in the said Resolution.

Item No. 8

Mr. Ramesh Peer was appointed as an Additional Director as well as the Managing Director of the Company by the Board of Directors. Mr. Ramesh Peer is a Commerce Graduate and is having around 16 years in the fields of Finance and Investments.



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It is proposed to appoint Mr. Ramesh Peer as a Director of the Company, not liable to retire by rotation, in the forthcoming 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 recommends the resolution for the members approval.

None of the Directors, except Mr. Ramesh Peer, is in any way concerned or interested in the said Resolution.

By Order of the Board of Directors

New Delhi
July 28, 2006

YASHWANT GUPTA
Company Secretary





Allianz Capital & Management Services Limited

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 14th Annual Report together with the Audited Accounts for the Financial Year ended 31st March, 2006.

FINANCIAL HIGHLIGHTS

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

	(Rs. in Lacs)	
	Year ended 31.03.2006	Year ended 31.03.2005
Gross Income	208.80	205.14
Profit Before Interest, Depreciation & Tax	164.06	14.89
Add : Provisions of Earlier Years written back	43.66	406.35
Less : Interest	1.50	3.11
Less : Depreciation	2.74	2.94
Less : Prior Period Adjustments	0.25	1.54
Less : Taxes	9.18	—
Net Profit After Tax	194.05	413.65
Transferred from Share Premium Account	—	686.92
Transferred from Debenture Forfeited Account	—	146.56
Profit / (Loss) Brought Forward	185.00	(1062.13)
Profit Available for Appropriation	379.05	185.00
Appropriation		
Provision for Proposed Dividend	31.10	—
Corporate Dividend Tax	4.36	—
Balance carried forward to Balance Sheet	343.59	185.00

RESULTS OF OPERATIONS

Revenues : Total revenues for the year ended March, 31, 2006 amounted to Rs.208.80 Lacs.

Profits : Profit before interest, depreciation and taxes for the financial year 2005-06, including provisions of previous year written back, is amounted to Rs. 207.72 Lacs. The Profit after Tax for the financial year was 194.05 Lacs as against Rs. 413.65 Lacs in the previous financial year, however, for the financial year ended 31st March, 2006, the surplus carried to the Balance Sheet amounted to Rs. 343.59 Lacs as against the surplus of Rs. 185.00 Lacs in the previous financial year ended 31st March, 2005.

INVESTMENTS

At present, your Company is holding 7047000 Equity Shares in Allianz Securities Ltd., one of the group companies. Further, your Company has also subscribed to 1595000 Equity Shares of Almondz Capital Markets Pvt. Ltd., a Company promoted by the Group, which is engaged in the stock broking business and is a member of the National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Ltd. (BSE).


Allianz Capital & Management Services Limited
DIVIDEND

The Board of Directors of the Company is pleased to recommend a dividend @ 5% on the Paid-up Capital of the Company in respect of the Financial Year 2005-06. The total outgo on account of dividend, inclusive of dividend tax @14.025% is Rs. 35.46 Lacs.

FIXED DEPOSITS

During the year under review, your Company has settled all the requests of the Depositors for the payment of their deposits. The amount of the unclaimed deposits as on 31st March, 2006, lying in the Escrow Account, is Rs. 1.33 Lacs only.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, covering matters listed in Clause 49 of the Listing Agreement for the year under review, is given as a separate statement in the Annual Report.

DIRECTORS

During the year under review, Mr. Manoj Kumar Arora has tendered his resignation from the Board vide letter dated 05.12.2005. The Board accepted his resignation at its meeting held on 31.12.2005 and placed on records its appreciation for the services rendered by Mr. Manoj Kumar Arora.

Mr. Ashok Kumar Gupta has resigned from the directorship of the Company w.e.f. 31.12.2005. The Board accepted his resignation at its meeting held on 31.12.2005 and placed on records its appreciation for the services rendered by them.

Mr. Vijay Kumar Khanna was appointed as an Additional Director of the Company w.e.f. 31.12.2005. However, he resigned from the office w.e.f. 28.02.2006.

Mr. M. L. Kampani was appointed as an Additional Director of the Company w.e.f. 31.03.2006. However, he resigned from the directorship of the Company w.e.f. 08.07.2006.

Due to pre-occupation, Mr. Jagdeep Singh, Managing Director of the Company, resigned from the directorship of the Company w.e.f. 08.07.2006. The Board accepted his resignation and placed on records its appreciation for the services rendered by Mr. Jagdeep Singh.

Mr. Samir Chhabra, Director of the Company, is due to retire by rotation at the ensuing Annual General Meeting and offers himself for re-appointment.

During the year, Mr. Navjeet Singh Sobti, Mr. Mahendra Kumar Aggarwal, Mr. Sanjay Grover and Mr. Ramesh Peer were appointed as Additional Directors of the Company, whose periods of office expire at the commencement of the ensuing Annual General Meeting. The Company has received Notices under Section 257 of the Companies Act, 1956, in respect of their appointment as Ordinary Directors, liable to retire by rotation, at the forthcoming Annual General Meeting.

Further, Mr. Ramesh Peer was appointed as the Managing Director of the Company for a period of five years w.e.f. 8th July, 2006 to 7th July, 2011

A brief resume of the Directors being appointed/re-appointed, nature of their expertise in the specific functional areas, and number of companies in which they hold Directorship and/or Membership/Chairmanship of Committees of the Board, as stipulated under Clause 49 of the Listing Agreement are given in the Statement of Corporate Governance elsewhere in the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed :

- (a) that in preparation of the Balance Sheet and the Profit & Loss Account of the Company, the applicable accounting standards have been followed alongwith the proper explanation relating to the material departures;


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- (b) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 and of the profit or loss of the Company for that period;
- (c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

M/s H. K. Chhabra & Co., Chartered Accountants, Statutory Auditors of the Company, retiring at the conclusion of the forthcoming Annual General Meeting, and being eligible, offered themselves for re-appointment.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

STATUTORY STATEMENT

The statements, pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, with respect to the conservation of energy, technology absorption, foreign exchange earnings and outgo, and pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, with respect to the employee(s) of the Company drawing remuneration exceeding the sum prescribed therein, are not applicable to your Company.

CORPORATE GOVERNANCE

The Company is in the process of actively following the principles and practices of good corporate governance. The Company has ensured that the Corporate Governance requirements, as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges, are duly complied with. A separate Statement on Corporate Governance is given elsewhere in this Annual Report.

A Certificate from the Auditors of the Company regarding compliance of Clause 49 of the Listing Agreement is attached in this Report.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance, co-operation and trust reposed in your Company by the Investors, Banks, Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and other Government Authorities during the financial year under review. Your Directors wish to place on record their deep sense of appreciation for its clients and for the devoted services of the young team of professionals of the Company for its success.

Your Directors also wish to place on record their sincere appreciation of the contribution made by the employees of the Company and are thankful to the Shareholders for their continued patronage and support.

For and on behalf of the Board of Directors

New Delhi
July 28, 2006

NAVJEET SINGH SOBTI
Director

RAMESH PEER
Managing Director



Allianz Capital & Management Services Limited

CORPORATE GOVERNANCE REPORT

1. CORPORATE ETHICS & PHILOSOPHY

Allianz Capital & Management Services Limited believes that good corporate governance is a key driver of sustainable corporate growth and long term value creation for its shareholders. The Company is observing standards of good governance by maintaining transparency, efficiency, full disclosure of every transaction, etc. in order to protect the rights and interests of the shareholders at large. besides achieving the overall organisational goals and objectives.

We are committed to upgrade our systems, processes and disclosure norms to achieve high standards of Corporate Governance.

2. BOARD OF DIRECTORS

(a) Composition and Category of Directors :

The Board of Directors of the Company consists of 5 (Five) Directors. The composition and the category of Directors as well as the Number of Directorship in other Companies and Number of Chairmanship/ Membership in other Board Committees are as hereunder :

Sl. No.	Name	Category	No. of Directorship in other Companies		No. of Membership / Chairmanship in other Board Committees	
			Public	Private	Member	Chairman
1.	Mr. Ramesh Peer	Managing Director	—	—	—	—
2.	Mr. Navjeet Singh Sobti	Non-Executive Director	1	3	—	—
3.	Mr. Mahendra Kumar Aggarwal	Non-Executive Director	—	—	—	—
4.	Mr. Samir Chhabra	Non-Executive Director	2	—	—	—
5.	Mr. Sanjay Grover	Non-Executive Director	—	—	—	—

During the year under review, 9 (Nine) Board Meetings were held on 5th April, 2005; 24th May, 2005; 15th June, 2005; 1st July, 2005; 8th July, 2005; 16th July, 2005; 29th October, 2005; 31st December, 2005; & 31st January, 2006. The last Annual General Meeting for the Financial Year ended 31st March, 2005 was held on 28th September, 2005.

The attendance of the individual Director in the aforesaid meetings was as follows :

Name of Director	Date of Meetings & Attendance								
	05.04.05	24.05.05	15.06.05	01.07.05	08.07.05	16.07.05	29.10.05	31.12.05	31.01.06
Mr. Jagdeep Singh Managing Director	Present	Present	Present	Present	Present	Present	Present	Present	Leave of Absence
Mr. Samir Chhabra Director	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Present	Present
Mr. Ramesh Peer* Director	Present	Present	Present	Present	Present	Present	Present	—	—
Mr. Ashok Kumar Gupta* Director	Present	Present	Present	Present	Present	Present	Present	—	—
Mr. Manoj Kumar Arora* Director	Present	Present	Present	Present	Present	Present	Present	—	—
Mr. Navjeet Singh Sobti Director	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	Leave of Absence
Mr. Vijay Kumar Khanna Director	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	Present