

## **Nineteenth Annual Report 2004-2005**

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**Chartered Capital  
and Investment Ltd.**

**REGD. OFFICE : 711, MAHAKANT, OPP. V. S. HOSPITAL,  
ELLISBRIDGE, AHMEDABAD-380006**

## Chartered Capital And Investment Limited

### BOARD OF DIRECTORS

1. Mr. Sanatan N Munsif	Chairman
2. Mr. A.L. Sanghvi	Vice Chairman
3. Mr. Mohib N. Khericha	Managing Director
4. Mr. M.K. Doogar	Director
5. Mr. Ashok Kavdia	Director

### AUDITORS

M/s Mayank Shah & Associates  
Chartered Accountants  
706, Mahakant Building  
Opp. V S Hospital  
Ashram Road,  
Ahmedabad – 380006.

### BANKERS

Corporation Bank

### REGISTERED OFFICE

711, Mahakant,  
Opp. V. S. Hospital, Ellisbridge,  
Ahmedabad - 380 006

### SHARE TRANSFER AGENT

Pinnacle Share Registry P Ltd.  
Ashoka Mills, Naroda Road,  
Ahmedabad – 380 025.

ISIN No. : INE 953B01010

BSE Code : 511696

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## NOTICE

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of the company will be held at 12.30 AM on Friday the 30<sup>th</sup> September, 2005 at the Registered office of the company at 711, Mahakant, Opp. V S Hospital, Ellisbridge, Ahmedabad - 380 006 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2005 and the Balance Sheet as at that date and the Reports of Directors and the Auditors.
2. To appoint a Director in place of Mr. M. K. Doogar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS:

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

RESOLVED THAT Mr. A. L. Sanghvi be and is hereby appointed as Director of the company, liable to retire by rotation.

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

**RESOLVED THAT** pursuant to the provisions of Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approval as may be necessary, that the Company do re-appoint Mr. Mohib N. Khericha as the Managing Director of the Company for a further period of five years with effect from 1st April, 2005 with authority to board to pay Mr. Mohib N. Khericha remuneration and perquisites as specified below:

### SALARY

The Managing Director shall be entitled to a monthly salary of Rs.15,000/- (Rupees Fifteen thousand only) with Board has powers to revise the remuneration.

### REMUNERATION:

Managing Director shall be entitled to the following perquisites:

- a. The Company shall pay House Rent Allowance of Rs.5,000/- per month
- b. Reimbursement of Medical Expenses of self and family subject to a ceiling of one month salary in a year or of as many months salary in a block so many years is are there in the total tenure.
- c. Leave Travel concession for self and family once in a year.
- d. Fees of Clubs subject to a maximum of 2 clubs.
- e. Personal Accident Insurance premium not to exceed Rs.1000/- per annum
- f. Contribution to Provident Fund, Gratuity or such other scheme as may be applicable from time to time in the Company to the other officers of the company.
- g. The facility of car and Telephone shall be provided but personal long distance call on telephone and use of car for personal purposes shall be billed by the company to the Managing Director.
- h. Return holiday passages once in a year by economy class or once in 2 years by first class to children from their place of studies abroad in India and to the members of the family from their place or their stay abroad to India, if they are not residing in India with the Managing Director.

The aforesaid remuneration paid to the Managing Director is minimum remuneration even in case of inadequacy or absence of profits in a year pursuant to Schedule XIII of the Companies Act, 1956.

**For and on behalf of Board of Directors**

Place: Ahmedabad  
Date: August 25, 2005

**Mohib N. Khericha**  
**Managing Director**

## CHARTERED CAPITAL AND INVESTMENT LTD.

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### Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and on a poll, to vote instead of himself. A proxy need not be member of the company.
2. Members/ proxies should bring attendance slip, duly filled in, for attending the meeting.
3. Members / proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting.
4. The register of Members and share transfer books of the company will remain closed from 27<sup>th</sup> September, 2005 to 30<sup>th</sup> September, 2005 (both days inclusive).
5. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to address their questions to the company so as to reach at least 7 days before the date of the meeting, so that the information required will be made available at the meeting, to the best extent possible.

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

#### ITEM NO. 4.

Mr. A. L. Sanghvi was appointed as an additional Director of the company from 11<sup>th</sup> January, 2005 under section 260 of the Companies Act, 1956. He holds office upto the date of the ensuing Annual General Meeting. Mr. A.L. Sanghvi is a qualified Chartered Accountant and having about 30 years of experience in the field of Banking, Audit and Finance. His active participation in the policy formulation and implementation will be of great help to the company. The company has received a notice in writing from a member alongwith Rs 500/- proposing the candidature of Mr. A. L. Sanghvi for the office of Director under the provision of section 257 of the Companies Act, 1956.

The board of Directors recommends the above resolution for approval of members.

Except Mr. A L Sanghvi none of the Directors is in any way concerned or interested in this resolution.

#### ITEM NO. 5.

The Remuneration Committee of the Company and Board of Directors of the Company at its meeting held on 29/04/2005 subject to the approval of the shareholders at the Annual General Meeting re-appointed Mr. Mohib N Khericha as the Managing Director of the company for a period of 5 (five years) with effect from 1<sup>st</sup> April, 2005.

The Directors consider that re-appointment of Mr. Mohib N. Khericha as the Managing Director will be in the interests of the Company.

The board of Directors recommends the above resolution for approval of members.

Except Mr. Mohib N. Khericha none of the Directors is in any way concerned or interested in this resolution.

**For and on behalf of Board of Directors**

Place: Ahmedabad

**Mohib N. Khericha**

Date: August 25, 2005

**Managing Director**

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## DIRECTORS' REPORT

To,  
The Shareholders,  
Chartered Capital and Investment Limited

Yours Directors are pleased to present the 19<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended March 31<sup>st</sup>, 2005.

### FINANCIAL RESULTS:

The Financial results for the year ended March 31<sup>st</sup>, 2005 are summarized as under:

	31/03/2005 (Rs. in lacs)	31/03/2004 (Rs. in lacs)
Total Income	61.50	45.32
Profit (Loss) before depreciation and taxes	26.82	12.30
Less : Depreciation	1.05	1.40
Less; Provision for taxes	1.50	0.52
Add: Deferred Tax Credit	0.39	0.10
Profit (Loss) After Tax	24.66	10.48

### DIVIDEND

In view of the results, the Board of Directors is unable to recommend any dividend for the year 2004-2005.

### OPERATION

During the year its gross income increased to Rs.61.50 lacs in comparison to Rs.45.32 lacs during the previous year. During the year company has earned Profit after Tax of Rs. 24.66 lacs as against Profit after Tax of Rs.10.48 lacs in the previous year.

### FUTURE OUTLOOK

The capital market has started improving and in view of that company expects to perform better in the coming year. The company is continuing to exploit business opportunity in other non-fund based financial services.

### STOCK EXCHANGES:

The company's shares are listed on Ahmedabad and Mumbai Stock Exchanges. The company has paid necessary listing fees for the year 2005-2006

### DIRECTORS:

Mr. A. L. Sanghvi was appointed as an additional director by the Board under section 260 of the Companies Act, 1956, with effect from 11th January, 2005. He holds the office upto the date of the ensuing Annual General Meeting of the company and is being eligible for re-appointment as director of the company. The company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature for appointment as director of the company, subject to retire by rotation.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. M.K. Doogar retires by rotation and being eligible, offers himself for re-appointment.

During the year Mr. Vikram Sanghvi has resigned from the Board w.e.f. 11<sup>th</sup> January, 2005 due to pre-occupation. Board of directors places on record their appreciation during his tenure as director.

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### DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 217 (2AA) of the Companies Act, 1956 the Directors would like to state that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguards in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- iv. The Directors have prepared the Annual Accounts on a going concern basis.

### DEPOSITS

During the year Company has not accepted any deposits under Section 58-A of the Companies Act, 1956.

### PARTICULARS REQUIRED TO BE FURNISHED BY THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

The Company has no activities relating to conservation of energy or technology absorption. There has been no foreign exchange earning or outgo during the year under review.

### PARTICULARS OF EMPLOYEES COVERED UNDER THE (PARTICULARS OF EMPLOYEES) RULES, 1975

The company does not have any employee in the category as specified under Section 217 (2A) of the Companies Act, 1956.

### AUDITORS AND AUDITORS' REPORT:

M/s Mayank Shah & Associates, Chartered Accountants, retire as auditors of the company at the ensuing Annual General Meeting and are eligible for re-appointment.

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

### ACKNOWLEDGEMENTS:

Your Directors record their appreciation for the valuable services rendered by all the employees of the company, their gratitude to the Banks and to the Members of the Company for their support.

**For and on behalf of Board of Directors**

Place: Ahmedabad

**Mohib N Khericha**

**A L Sanghvi**

Date: August 25, 2005

**Managing Director**

**Vice chairman**

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## REPORT ON CORPORATE GOVERNANCE:

(Pursuant to Clause 49 of the Listing Agreement)

Your company in tune with the requirements of the provisions of Corporate Governance has taken all measures considered necessary for ensuring its compliance.

A detailed Compliance Report in this regard is given below:

### 1. COMPANY'S POLICY:

The company's policy on Corporate Governance envisages the assignment of high level of transparency and accountability in the functioning of the company and the conduct of its business internally and externally, including its interaction with employees, shareholders, creditors, clients, bankers and other business places with due emphasis on regulatory compliance.

The company firmly believes that its system and actions must be devoted for enhancing corporate performance and maximizing shareholder value in the long run.

### 2. BOARD OF DIRECTORS:

The Board of Directors of the company comprises of 5 Director

Name	Category/ Designation	No. of outside Directorship and Committee membership/Chairmanship			
		Public Company	Private Company	Committee membership	Chairmanship
Mr. Sanatan N Munsif	Non-Executive, Independent Chairman	Nil	Nil	Nil	Nil
*Mr. A. L. Sanghvi	Promoter Non-Executive Director	1	1	5	1
Mr. Mohib N. Khericha	Promoter Managing Director	5	3	4	4
Mr. M.K. Doogar	Director Non Executive	3	2	1	Nil
Mr. Ashok Kavdia	Non Executive Independent	Nil	1	Nil	Nil
*Mr. Vikram Sanghvi	Non Executive	Nil	2	Nil	Nil

\* Mr. A L Sanghvi appointed as director and Mr. Vikram Sanghvi has resigned from the office of director w.e.f.11/01/2005.

The attendance of the Directors of the company at the Board Meeting are as follows:

Director	No. of Meetings		
	Held	Attended	Attended Last AGM
Mr. Sanatan N Munsif	8	Nil	No
*Mr. A.L. Sanghvi	2	2	Yes
Mr. Mohib N. Khericha	8	8	Yes
Mr. M.K. Doogar	8	2	No
Mr. Ashok Kavdia	8	8	Yes
*Mr. Vikram Sanghvi	6	6	Yes

The Board of Directors met 8 times during the year on the following dates: 30/04/2004, 23/06/2004, 31/07/2004, 01/09/2004, 29/10/2004, 11/01/2004, 29/01/2005 and 31/01/2005



## CHARTERED CAPITAL AND INVESTMENT LTD.

### 3. Audit Committee

#### Terms of Reference

1. To review the adequacy of internal control systems and internal Audit Reports and their compliance thereof.
2. To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. To recommend the appointment of auditors and fixation of audit fees.
4. To review the financial statements before submission to the Board.

#### Composition of Audit Committee

During the year Audit committee was reconstituted on 11/01/2005 due to resignation of Mr. Vikram Sanghvi from the office of Director. The audit committee of the company has been re-constituted with following three Directors, Viz.,

1. Mr. Ashok Kavdia -Chairman
2. Mr. A L Sanghvi- Member
3. Mr. Sanatan N Munsif -Member

The Committee met 5 times during the year and the attendances of members of the committee were as follow:

Director	No. of Meetings	
	Held	Attended
Mr. Ashok Kavdia	5	5
Mr. A L Sanghvi*	1	1
Mr. Sanatan N. Munsif	5	1
Mr. Vikram Sanghvi*	4	4

\* Mr. A L Sanghvi appointed as director and Mr. Vikram Sanghvi has resigned from the office of director w.e.f.11/01/2005.

### 4. REMUNERATION COMMITTEE:

A remuneration committee has been constituted as a sub-committee of Board. The Remuneration committee of the company has been constituted with two Directors, Viz.,

1. Mr. Sanatan N Munsif - Chairman
2. Mr. Ashok Kavdia - Member

Non-executive directors are not paid any sitting fee for attending any Board Meetings or meeting of committee thereof. The Managing Director's remuneration is in conformity with the extant laws and regulations and approved by the shareholders.

### 5. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE:

As a measure of Good Corporate Governance and to focus on the shareholders' grievances and towards strengthening investor relations, an Shareholders / Investors' Grievance Committee has been constituted as a committee of the Board, to redress / minimize the grievance of shareholders/ Investors

The functions of the committee include:



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To specifically look into redressing investors' grievances pertaining to:

- a) Transfer of shares
- b) Dividends
- c) Dematerialization of shares
- d) Replacement of lost/stolen/mutilated share certificates
- e) Any other related issues

**The committee comprises of the following Directors namely:**

During the year committee was reconstituted on 11/01/2005 due to resignation of Mr. Vikram Sanghvi from the office of Director. The Shareholders / Investors' Grievance committee of the company has been re-constituted with following three Directors, Viz.,

1. Mr. Ashok Kavdia - Chairman
2. Mr. Sanatan N Munsif - Member
3. Mr. A.L. Sanghvi - Member

During the year under review, no complaint was received from Shareholders/ investors or Stock Exchanges or SEBI.

### 6. GENERAL BODY MEETING:

The location and time of the Annual General Meetings held during the last three years is as follows:

Date	Venue	Time
September 30, 2004	711, Mahakant, Opp. V. S. Hospital, Ellisbridge, Ahmedabad - 380 006	11.30 PM
September 30, 2003	711, Mahakant, Opp. V. S. Hospital, Ellisbridge, Ahmedabad - 380 006	05.30 AM
September 30, 2002	711, Mahakant, Opp. V. S. Hospital, Ellisbridge, Ahmedabad - 380 006	11.00 AM

### 7. NOTES ON DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT

Mr. M.K. Doogar, who retires by rotation and being eligible, offers himself for reappointment.

Mr. A. L. Sanghvi, appointed as an additional director by the Board. He is a Chartered Accountants and having about 30 years experience in the field of Banking, Audit and Finance related matters. His active participation in the policy formulation and implementation will be of great help to the company.

### 8. DISCLOSURES:

There were no transactions of a materially significant nature with the promoters, the directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of the company at large.

Transaction with related parties during the year are disclosed in the notes forming part of accounts in the Annual Report.

There has been no instance of non- compliance, penalties or strictures on any matter relating to the capital market and listing.