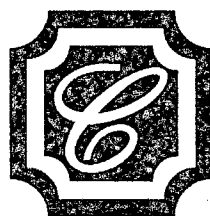


# **TWENTY FIRST ANNUAL REPORT 2006-2007**

Report  junction.com



## **Chartered Capital And Investment Limited**

**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
6. Mr. Deepak P. Singhvi	Director

### AUDITORS

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

### Company Secretary

Manoj Kumar Ramrakhyani

### 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

# ANNUAL REPORT 2006-2007

---

## NOTICE

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the company will be held on Friday September 28, 2007 at 11:30 a.m. 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 receive, consider and adopt the Audited Balance Sheet as at March 31, 2007 and the Profit and Loss Account for the year ended on that date and the Report of Directors and Auditors Report thereon.
2. To appoint a Director in place of Mr. Ashok Kavdia, who retires by rotation and being eligible, has offered himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting and to 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 pursuant to the provisions of Section 260 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), Mr. Deepak P Singhvi, who was appointed as an Additional Director by the Board of Directors of the Company and in respect of whom the Company has received a notice in writing along with a deposit of Rs.500/- pursuant to the provisions of the Section 257 of the Act from a member signifying his intention to propose Mr. Deepak P Singhvi as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

By order of the Board of Directors

Place: Ahmedabad  
Date: September 1, 2007

Mohib N. Khericha  
Managing Director

### Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no.4 of the Notice set out above, is annexed hereto.
3. Members/ proxies should bring attendance slip, duly filled in, for attending the meeting.
4. Members / proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting.
5. The register of Members and share transfer books of the company will remain closed from September 25, 2007 to September 28, 2007 (both days inclusive).
6. As per the requirement of clause 49 of the listing agreement on Corporate Governance for appointment of the Directors /re-appointment of retiring Directors, a statement containing details of the concerned Directors is given below:

## CHARTERED CAPITAL AND INVESTMENT LTD.

<b>Name of Director</b>	Mr. Ashok Kavdia	Mr. Deepak P Singhvi
<b>Date of Birth</b>	August 11, 1962	May 16, 1966
<b>Date of Appointment</b>	February 28, 2003	October 18, 2006
<b>Expertise in specific functional areas</b>	20 years of experience in Audit & Finance relating matters, General Administration	16 years of experience with exposure in Stock Broking, Merchant Banking, Project Finance, Corporate Finance, Taxing & Auditing etc.
<b>Qualifications</b>	FCA	B.Sc, FCA
<b>List of outside Directorship held</b>	Imperial Solutions Pvt. Ltd. Sulaxmi Exports & Marketing Pvt. Ltd.	Shakti Sharesoppe Pvt. Ltd. Pushplata Securities Pvt. Ltd. Fact Sharesoppe Pvt. Ltd.
<b>Chairman/member of the committee of the Board of Directors of the Company*</b>	Audit Committee- Chairman Shareholders/Investors' Grievance Committee- Chairman	Nil
<b>Chairman/member of the committee of the Board of Directors of other Companies in which he is a Director*</b>	Nil	Nil
<b>Shareholding in the company</b>	Nil	Nil

\* Only Audit Committee & Shareholders/Investors Grievance Committee has been considered.

7. The Register of Directors' shareholding maintained under section 307 of the Companies Act, 1956 will be available for inspection by the members at the AGM.
8. 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. Deepak P Singhvi was appointed as Additional Director on the Board of your Company with effect from October 18, 2006. Mr. Deepak P Singhvi is having 16 years of experience in Stock Broking, Merchant Banking, Project Finance, Corporate Finance, Taxing & Auditing & other allied activities. Considering his vast experience in Merchant Banking & other capital market related activities, his presence on the Board will be valuable to your Company. The resolution is accordingly commended for your acceptance.

None of the Director except Mr. Deepak P Singhvi is interested in the resolution.

By order of the Board of Directors

Place: Ahmedabad

Date: September 1, 2007

**Mohib N. Khericha**  
Managing Director

# ANNUAL REPORT 2006-2007

## DIRECTORS' REPORT

To,  
The Shareholders,  
Chartered Capital and Investment Limited

Your Directors are pleased to present herewith the 21<sup>st</sup> Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2007.

### FINANCIAL RESULTS

The Financial results for the year ended March 31, 2007 are summarized as under:

(Rs. in lacs)

Particulars	For the year ended	
	31/03/2007	31/03/2006
Total Income	384.05	131.98
Profit (Loss) before depreciation and taxes	210.54	41.62
Less : Depreciation	3.03	1.53
Less: Provision for taxes	71.50	2.70
Add: Deferred Tax Credit	0.12	0.72
Profit (Loss) After Tax	135.13	35.81

### OPERATIONS

During the year under review the Company has achieved the tremendous growth. The gross income of the Company has increased to Rs.384.05 lacs in comparison to Rs.131.98 lacs during the previous year i.e. an excellent growth of 191%. During the year company has earned Profit after Tax of Rs.135.13 lacs as against Profit after Tax of Rs.35.81 lacs in the previous year i.e. a growth of 277.35% and further hopes to improve its performance in the current year.

### DIVIDEND

The Board of Directors does not recommend any dividend for the year 2006-2007 with a view to reinvest the profit for the operations of the Company.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. Ashok Kavdia, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

In addition, Mr. Deepak P Singhvi was appointed as Additional Director of the Company by the Board w.e.f. October 18, 2006 and he hold the office as Director only upto this Annual General Meeting of the Company, but is eligible for appointment. Further a Notice from a member signifying his intention to propose Mr. Deepak P Singhvi, as a candidate for the office of Director of the Company along with a deposit of Rs.500/- pursuant to the provisions of the Section 257 of the Act has been received.

The brief resume/detail relating to the Director who is to be re-appointed are furnished in the Notes to the Notice of the Annual General Meeting. Members are considered to consider their re-appointment/appointment as Directors of the Company.

### MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report has been enclosed herewith vide "Annexure-A" and forms part of Director's Report.

### CORPORATE GOVERNANCE

Your Company reaffirms its commitment to the standards of Corporate Governance as prescribed under

# CHARTERED CAPITAL AND INVESTMENT LTD.

## MANAGEMENT DISCUSSION & ANALYSIS

### A. Industry Structure & Developments

The Company is primarily operating in the Merchant Banking industry which totally depends on the Capital Market, which fortunately remained buoyant during the financial year 2006-2007 also.

During 2006-07, 124 companies accessed the primary market and raised Rs.33,508 crore compared to Rs.27,382 crore raised by 139 companies in 2005-06. The type wise classification of issues shows a larger presence of the IPOs. Of the 85 public issues, 77 were IPOs. The number of new companies that accessed the primary market was the same for 2005-06 also. However, the amount mobilized by the IPOs rose by 161% to Rs.28,504 crore in 2006-07 from Rs.10,936 crore in 2005-06. The number of further public offerings (FPOs) and amount mobilized via FPOs declined in 2006-07. This could be attributed to the introduction of Qualified Institutions Placement (QIP). As against 24 FPOs which raised Rs.12,358 crore in 2005-06, there were only 7 which mobilized Rs.1,293 crore in 2006-07. All the issues in 2006-07 were from private sector except 2 issues viz. Power Finance Corporation of India Ltd and Indian Bank, which were from the public sector. During 2006-07, the corporates from diverse sectors accessed the primary market led by textile sectors (16) followed by cement and construction (13) information technology (11) and food processing (10).

### B. Opportunities & Threats

Continued buoyant primary market offer great opportunities for all the players in the financial market including us. We have been doing good business since last few months and expect it to continue for atleast next few quarters. Though competition from other market players in the industry is always a threat to our business, the increase in the activities & operation will definitely compensate the income loss, if any, due to competition.

### C. Segment-wise or Product-wise Performance

The Company is engaged primarily in Merchant Banking activities and there are no separate reportable segments as per the Accounting Standard 17.

### D. Outlook

The Company sought to strengthen its position by internally realigning its businesses and streamlining its operations, always with an eye to reduce cost and enhance stakeholders' value. Company's business strategy is to establish a dominant market share in the domestic market by building and strengthening client relationships, consolidating key accounts and undertaking aggressive client marketing.

### E. Risks & Concerns

The gradual transformation of the Indian economy presents challenges and opportunities for organizations to take the next leap forward. Company with its 13 years of experience in providing quality financial services and a dedicated and trained team is constantly evolving itself to retain its leadership position and competitive edge. Company has the vision to put itself on the domestic as well as global map in integrated catering of diversified financial services.

The Company is potentially exposed to any significant fluctuations in the state of the Indian economy. The Company with its strong systems & practices in place has positioned itself to counter these threats to the best possible extent through its highly integrated operations and thrust on value addition to its business.

### F. Internal Control Systems & Their Adequacy

Your Company's Internal Control System and procedures are adequate and commensurate with the Company's size and nature of business and are constantly reviewed. The internal control systems lay down the policies, authorization and approval procedures. The adequacy of the internal control systems has been reported by the auditors under the Companies (Auditor's Report) Order, 2003.

### G. Discussion on Financial Performance

The gross income of the Company has increased to Rs.384.05 lacs in comparison to Rs.131.98 lacs

## ANNUAL REPORT 2006-2007

---

during the previous year i.e. an excellent growth of 191%. During the year company has earned Profit after Tax of Rs.135.13 lacs as against Profit after Tax of Rs.35.81 lacs in the previous year i.e. a growth of 277.35% and further hopes to improve its performance in the current year.

### **H. Material Development in Human Resources / Industrial Relations Front, Including Number of People Employed**

There has been no material development on the Human Resource / Industrial Relations front during the year. Employee relations at all levels continue to remain cordial. The Company had 21 employees as on March 31, 2007.

### **CAUTIONARY STATEMENT**

Statements in this Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic developments in the country and improvement in the state of capital markets, changes in the Government regulations, tax laws and other status and other incidental factors.





## **CHARTERED CAPITAL AND INVESTMENT LTD.**

---

Clause 49 of the Listing Agreement with the stock exchanges. A Report on Corporate Governance together with the Auditors Certificate on the same is annexed as part of the Annual Report.

Your Company has also adopted a "Code of Conduct" for its Directors and Senior Management, as prescribed under Clause 49 of the Listing Agreement.

### **CEO/CFO CERTIFICATION**

A certificate from the Managing Director, pursuant to Clause 49(V) of the Listing Agreement has been placed before the Board at its Meeting held on September 1, 2007.

### **FUTURE OUTLOOK**

The capital market had improved a lot in this year. In the year there was flood of IPO's in the primary market which increased our business opportunities to a great extent 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 Stock Exchange Limited (ASE) and Bombay Stock Exchanges Limited (BSE). The company has paid necessary listing fees of both the stock exchanges for the year 2007-2008.

### **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, if any;
- 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.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

Particulars relating to the conservation of energy, technology absorption are not given as Companies (Disclosure of particulars in report of Board of Directors) Rules, 1988 is not applicable to the Company due to the nature of the Company's business operations, being an investment Banking Company. During the year under review there has been no foreign exchange earning or outgo.

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

Provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended are not applicable to the Company as none of the employees of the Company was in receipt of total remuneration of Rs.24,00,000 per annum or Rs.2,00,000 per month during the year under review.

### **AUDITORS AND AUDITORS' REPORT:**

M/s Mayank Shah & Associates, Chartered Accountants, Ahmedabad hold office as Auditors of the Company until the conclusion of 21<sup>st</sup> Annual General Meeting and Board recommends their re-appointment till the conclusion of next Annual General Meeting



## ANNUAL REPORT 2006-2007

---

The Company has received a certificate from Auditors under Section 224(1) of the Companies Act, 1956 to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Act.

Members are requested to consider their re-appointment as Auditors of the Company for the current year at a remuneration to be decided by the Board of Directors.

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

### APPRECIATION

Your Directors express their gratitude for the co-operation and assistance extended by the Government Departments, Bankers, Financial Institutions and all the Shareholders for their continued co-operation, support and confidence in the Company.

Your Directors also wish to place on record their deep appreciation for the efficient and loyal services rendered by all the employees of the Company.

For and on behalf of Board of Directors

Place: Ahmedabad

Date: September 1, 2007

Mohib N Khericha

Managing Director

A L Sanghvi

Vice chairman

# CHARTERED CAPITAL AND INVESTMENT LTD.

## 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 6 Directors (including 1 Additional Director).

Name	Category/ Designation	No. of outside Directorship and Committee membership/Chairmanship			
		Directorship		Committee membership/ Chairmanship	
		Public Company	Private Company	Committee membership	Chairman- ship
Mr. Sanatan N Munsif	Non Executive Independent Director & Chairman	Nil	Nil	Nil	Nil
Mr. A. L. Sanghvi	Promoter Director, Non Executive Director & Vice Chairman	Nil	1	Nil	Nil
Mr. Mohib N. Khericha	Promoter Director, Managing Director	4	3	3	2
Mr. M.K. Doogar	Non Executive Independent Director	6	2	1	2
Mr. Ashok Kavdia	Non Executive Independent Director	Nil	2	Nil	Nil
Mr. Deepak P Singhvi	Non Executive Independent Director	Nil	3	Nil	Nil

The attendance of the Directors of the company at the Board Meetings is as follows:

Director	No. of Meetings		Attended Last AGM
	Held	Attended	
Mr. Sanatan N Munsif	19	8	No
Mr. A.L. Sanghvi	19	19	Yes
Mr. Mohib N. Khericha	19	19	Yes