

TWENTY SECOND ANNUAL REPORT 2007-2008

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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 Secretaty

Manoj Kumar Ramrakhyani

BANKERS

Corporation Bank

REGISTERED OFFICE

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

SHARE TRANSFER AGENT

Pinnacle Share Registry Pvt. 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 22nd Annual General Meeting of the company will be held on Tuesday, September 30, 2008 at 12:30 p.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, 2008 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. A L Sanghvi, who retires by rotation and being eligible, has offered himself for re-appointment.
3. To appoint a Director in place of Mr. M K Doogar, who retires by rotation and being eligible, has offered himself for re-appointment.
4. 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.

By order of the Board of Directors

Place: Ahmedabad
Date: September 4, 2008

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. 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 September 22, 2008 to September 30, 2008 (both days inclusive).
5. 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:

Name of Director	Mr. A L Sanghvi	Mr. M K Doogar
Date of Birth	January 21, 1948	July 1, 1951
Date of Appointment	January 11, 2005	October 1, 2003
Expertise in specific functional areas	A Chartered Accountant who is active in professional practice for over 35 years. He has established himself as well known Chartered Accountant in Ahmedabad. His activities includes corporate	A Chartered Accountant having vide experience in the field of Capital Market, Corporate Finance, Taxation and Audits. He has handled more than 140 Public / Rights Issue of total amounting to

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	finance, advising on Taxation and other allied matters. He was earlier Chairman of Finance, Economy and Banking committee of Gujarat Chamber of Commerce & Industry. He has been on the Board of Bank of Baroda for the period from September 2001 to October, 2005.	around Rs. 750 crores and has also handled many Takeover / Buyback/ Delisting offers. He is in the Board of various committees of many prestigious institutions, authorities. He is the winner of Udyog Ratna Award in the year 1994-95 and was also the member of Bhagwati committee on Takeover, formed by SEBI.
Qualifications	FCA	FCA
List of outside Directorship held	Real Time Corporate Services Pvt Ltd	Kamdhenu Ispat Limited Bhilwara Energy Limited PHD Chamber of Commerce and Industry Morgan Ventures Limited Indo Alusys Industries Limited Bhilwara Processors Limited Doogar and Associates Securities Limited Krishna Holdings (P) Limited Image Insurance Brokers (P) Limited
Chairman/member of the committee of the Board of Directors of the Company*	Member of Audit Committee Member of Shareholders/ Investors Grievance Committee	Nil
Chairman/member of the committee of the Board of Directors of other Companies in which he is a Director*	Nil	Kamdhenu Ispat Limited- Member Audit Committee Bhilwara Energy Limited- Member Audit Committee Indo Alusys Industries Limited- Chairman Audit Committee
Shareholding in the company	337,600	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.

By order of the Board of Directors

Place: Ahmedabad
Date: September 4, 2008

Mohib N. Khericha
Managing Director

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DIRECTORS' REPORT

To,
The Shareholders,
Chartered Capital and Investment Limited

Your Directors are pleased to present herewith the 22nd Annual report together with the Audited Accounts of the Company for the year ended March 31, 2008.

FINANCIAL RESULTS

The Financial results for the year ended March 31, 2008 are summarized as under:

(Rs. in lacs)

Particulars	For the year ended	
	31/03/2008	31/03/2007
Total Income	865.51	384.05
Profit (Loss) before depreciation and taxes	586.79	210.54
Less : Depreciation	3.03	3.03
Less: Provision for taxes	179.40	71.50
Add: Deferred Tax Credit	0.18	0.12
Profit (Loss) After Tax	403.75	135.13

OPERATIONS

During the year under review the Company has achieved the tremendous growth. The gross income of the Company has increased to Rs.865.51 lacs in comparison to Rs.384.05 lacs during the previous year i.e. an excellent growth of 125%. During the year company has earned Profit after Tax of Rs.403.75 lacs as against Profit after Tax of Rs.135.13 lacs in the previous year i.e. a growth of 198% and further hopes to improve its performance in the current year.

DIVIDEND

The Board of Directors does not recommend any dividend for the year 2007-2008 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. A L Sanghvi and Mr. M K Doogar, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

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

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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 4, 2008.

FUTURE OUTLOOK

The capital market remained volatile during the year. Despite the volatility in primary market 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 Exchange Limited (BSE). The company has paid necessary listing fees of both the stock exchanges for the year 2008-2009.

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 22nd Annual General Meeting and Board recommends their re-appointment till the conclusion of next Annual General Meeting

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.

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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 4, 2008

Mohib N Khericha
Managing Director

A L Sanghvi
Vice chairman



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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 remained buoyant till January 2008.

The Indian equity markets have witnessed a strong rally since 2003 with the benchmark BSE Sensex crossing the 21,000 mark in January 2008 from 12,500 in March 2007 setting a historical high. Though the markets have seen some correction since then, the underlying drivers for the market, viz. strong domestic economic growth and growing corporate profitability remain intact, leading to committed international and domestic investor interest.

During 2007-08 Rs. 1,74,143 crore was mobilised from primary market through 558 issues as compared to Rs. 55,654 crore mobilized through 451 issues during the corresponding period in the previous year. In the current financial year there has been 213% increase in the amount of mobilisation of funds from primary market over the amount mobilised in the last financial year.

During 2007-08 (April-March), Rs. 42,595 crore was mobilised through 85 IPOs as compared to Rs. 28,504 crore mobilised through 77 IPOs during the corresponding period in the previous year. Rs. 11,916 crore was mobilised through 7 FPOs in the current financial year as compared to Rs. 1,293 crore mobilised through 8 FPOs in the previous financial year.

B. Opportunities & Threats

The market remained volatile in past few months but we foresee 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

We continue to remain optimistic about the long-term India story and the opportunities that it will offer across sectors. The financial services sector is expected to grow rapidly in an expanding economic environment. However, in the short-term from time-to-time there will be challenges that will temper the outlook in the interim term. The economic environment and the capital markets in India have done extremely well over the last five years and some level of moderation is likely to take place in the short-term given the current macro-economic trends in both domestic and international markets.

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 14 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.

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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.865.51 lacs in comparison to Rs.384.05 lacs during the previous year i.e. an excellent growth of 125%. During the year company has earned Profit after Tax of Rs.403.76 lacs as against Profit after Tax of Rs.135.13 lacs in the previous year i.e. a growth of 198% 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 23 employees as on March 31, 2008.

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.

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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 perceives good corporate governance practices as a key to sustainable corporate growth and long term shareholder value creation. 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.

Name	Category/ Designation	No. of outside Directorship and Committee membership/Chairmanship				Inter se relationship between Directors
		Directorship		Committee membership/ Chairmanship		
		Public Company	Private Company	Membership	Chairmanship	
Mr. Sanatan N Munsif	Non Executive Independent Director & Chairman	Nil	Nil	Nil	Nil	Nil
Mr. A. L Sanghvi	Promoter Director, Non Executive Director & Vice Chairman	Nil	1	Nil	Nil	Nil
Mr. Mohib N. Khericha	Promoter Director, Managing Director	4	3	3	2	Nil
Mr. M.K. Doogar	Non Executive Independent Director	7	2	2	1	Nil
Mr. Ashok Kavdia	Non Executive Independent Director	Nil	1	Nil	Nil	Nil