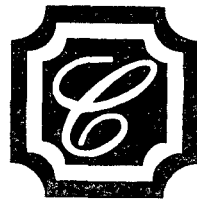


**TWENTY THIRD ANNUAL REPORT
2008-2009**

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CHARTERED CAPITAL AND INVESTMENT LIMITED

**Registered Office : 711, Mahakant, Opp. V.S. Hospital,
Ellisbridge, Ahmedabad - 380 006.**

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. Ashok Kavdia | Director |
| 5. 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
HDFC Bank Ltd.

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

ASE Code : 11705

CHARTERED CAPITAL AND INVESTMENT LIMITED**NOTICE**

Notice is hereby given that the 23rd Annual General Meeting of the company will be held on Friday, September 18, 2009 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, 2009 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. Sanatan N Munsif, 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 re-appoint Mr. Mohib N Khericha as Managing Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309 and 317 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of Mr. Mohib N Khericha, as Managing Director of the Company, for a period of 5 (five) years with effect from April 1, 2010, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the power conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration, subject to same not exceeding the limits specified under Schedule XIII of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT, notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Mohib N Khericha as a Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and other allowances as specified above and not exceeding the ceiling limits set out in Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

By order of the Board of Directors

Place : Ahmedabad
Date : August 25, 2009

Mohib N. Khericha
Managing Director

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy 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. Members are requested to notify immediately any change of address:
 - to their Depository Participant (DPs) in respect of their electronic share accounts; and
 - to Registrar and Share Transfer Agent of the Company in respect of their physical share folios along with Bank particulars.
6. The register of Members and share transfer books of the company will remain closed from September 14, 2009 to September 18, 2009 (both days inclusive).

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7. 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:

Mr. Sanatan N Munsif is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. In addition term of re-appointment of Mr. Mohib N Khericha, our Managing Director is due for re-appointment with effect from April 1, 2010. A brief resume of these directors is mentioned below:

Name of Director	Mr. Sanatan N Munsif	Mr. Mohib N Khericha
Date of Birth	December 14, 1934	August 4, 1952
Date of Appointment	May 20, 1993	March 21, 1986
Expertise in specific functional areas	Mr. Sanatan N Munsif has been associated with the Company since 1993 and has over 30 years of experience in Banking which includes 20 years with Bank of India and 10 years with American Express Bank (1979-1989), at senior positions. He has worked overseas for a considerable period and possesses the right experience to lead CCIL. He liaisons and finalises deals with all Financial Intermediaries and Institutions including the Reserve Bank of India, Unit Trust of India, Development Banks, Corporate etc. and guides the Company to achieve its goals.	A Chartered Accountant who was in active practice for over 25 years, in the area of Capital structuring, Restructuring, Financial Management and Loan syndication etc. before venturing into Merchant Banking activities in the year 1994. Mr. Khericha is also Corporate Financial advisor to Kirloskar group of Companies. He is also on Board of various Public Limited Companies. He is having wide contacts/ relations with brokers, underwriters, NRIs and High Networth Investors and also has wide experience in marketing the issue effectively and getting accurate feedback during the IPO. He has been Chairman of the Capital Market committee of the Gujarat Chambers of Commerce and Industry during the year 2003-04.
Qualifications	BA (Economics), B.Com, LLB	FCA
List of outside Directorship held	None	1. Photoquip India Limited 2. Mazda Limited 3. Chartered Logistics Limited 4. Kirloskar Power Build Gears Limited 5. Ravindu Motors Pvt. Ltd 6. Vijay Farms Pvt. Ltd 7. T D Power Systems Pvt. Ltd 8. D F Power Systems Pvt. Ltd.
Chairman/member of the committee of the Board of Directors of the Company*	Member of Audit Committee Chairman of Remuneration Committee	Member of Shareholders/ Investors Grievance Committee
Chairman/member of the committee of the Board of Directors of other Companies in which he is a Director*	None	<u>Mazda Limited</u> Member – Audit Committee Member – Remuneration Committee <u>Photoquip India Limited</u> Chairman - Shareholders/ Investor's Grievance Committee Chairman – Audit Committee
Shareholding in the company	Nil	6,24,850 Equity Shares (20.75%)

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

CHARTERED CAPITAL AND INVESTMENT LIMITED

8. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. prior to the date of Annual General Meeting.
9. Members who hold shares in dematerialized form are requested to bring their Client Id and DP ID for easier identification of attendance at the AGM.
10. The annual listing fees for the year 2009-10 of all the stock exchanges where Company's shares are listed, have been paid.
11. 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 10 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 IN RESPECT TO THE SPECIAL BUSINESS:

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4

Mr. Mohib N Khericha has been appointed Managing Director of the Company since November 1, 1994. The term of office of Mr. Mohib N Khericha, as Managing Director of the Company will expire on March 31, 2010.

The present proposal is to seek the members' approval for the reappointment of and remuneration payable to Mr. Mohib N Khericha as Managing Director, in terms of the applicable provisions of the Companies Act, 1956.

The Board of Directors of the Company (the 'Board'), at its meeting held on August 25, 2009 has, subject to the approval of Members, re-appointed Mr. Mohib N Khericha for a further period of 5 years from the expiry of the term, on the remuneration determined by the Remuneration Committee of the Board at its meeting held on August 25, 2009.

Mr. Mohib N Khericha upon reappointment as Managing Director shall continue to hold office of the Managing Director.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Mohib N Khericha are as under:

(a) Salary, Perquisites and Allowances:

Name and Designation	Rupees Per Month	
	Basic Salary	Perquisites & allowances
Mr. Mohib N Khericha, Managing Director	Rs.80,000	Rs.40,000

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; club fees, medical insurance and other perquisites and / or allowances. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income-tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income-tax law, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company and to the extent not taxable under the Income-tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

Provision of car for use on Company's business (i.e. payment / re-imbursement of running expenses of car) and telephone at residence (including payment for local calls and long distance official calls) will not be considered as perquisites and shall not be included in the computation of perquisites and allowances for the purpose of calculating the above ceiling. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

Minimum Remuneration :

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Mohib N Khericha as a Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and other allowances as specified above and not exceeding the ceiling limits set out in Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

ANNUAL REPORT 2008-2009**(b) Reimbursement of Expenses:**

Reimbursement of expenses incurred for travelling, boarding and lodging including for his spouse and attendant(s) during business trips; provision of car for use on the Company's business and telephone expenses at residence shall be reimbursed and not considered as perquisites.

(c) General:

- (i) Period of Agreement: 5(five) years with effect from April 1, 2010.
- (ii) The office of Managing Director may be terminated by the Company or the concerned Managing Director by giving the other 3 (three) months' prior notice in writing.
- (iii) The Managing Director shall, subject to the supervision, direction and control of the Board of Directors of the Company, manage the business and affairs of the Company.
- (iv) The terms and conditions of re-appointment and payment of salary, perquisites & allowances specified herein above may be enhanced, enlarged, widened, altered or varied from time to time by Remuneration Committee and the Board of Directors as they may in their discretion, deem fit, within the maximum amount payable to the Managing Director in accordance with Schedule XIII to the Act and in conformity with any amendments to the relevant provisions of the Companies Act and / or the rules and regulations made thereunder from time to time in future and / or such guidelines as may be announced by the Central Government from time to time.
- (v) The Managing Director shall not be liable to retire by rotation.

Mr. Mohib N Khericha satisfies all the conditions set out in Part-I of Schedule XIII to the Companies Act, 1956 for being eligible for the re-appointment.

The above may be treated as an abstract of the terms of re-appointment of Mr. Mohib N Khericha under Section 302 of the Companies Act, 1956.

A brief resume of Mr. Mohib N Khericha, nature of his expertise in specific functional areas, names of companies in which he hold directorship and membership / chairmanship of Board Committees and relationships between directors inter-se, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, is provided in the Notes to the Notice convening this Meeting.

Mr. Mohib N Khericha is interested in the resolution set out at Item No. 4 of the Notice, which pertain to his re-appointment and remuneration payable to him.

Save and except the above, none of the other Directors of the Company is, in any way, concerned or interested in these Resolution.

The Board commends the Resolutions set out at Item Nos. 4 of the Notice for your approval.

By order of the Board of Directors

Place : Ahmedabad
Date : August 25, 2009

Mohib N. Khericha
Managing Director

CHARTERED CAPITAL AND INVESTMENT LIMITED**DIRECTORS' REPORT**

To,
The Shareholders,
Chartered Capital and Investment Limited

Your Directors are pleased to present herewith the 23rd Annual report together with the Annual Audited Accounts of the Company for the year ended March 31, 2009.

FINANCIAL RESULTS

The Financial results for the year ended March 31, 2009 are summarized as under:

Particulars	(Rs. in lacs)	
	For the year ended	
	31/03/2009	31/03/2008
Total Income	382.74	865.51
Profit (Loss) before depreciation and taxes	147.88	586.79
Less : Depreciation	2.90	3.03
Less: Provision for taxes	46.50	179.41
Add: Deferred Tax Credit	0.10	0.18
Profit (Loss) After Tax	97.86	403.76

OPERATIONS

During the year under review, gross income of the Company has decreased from Rs.865.51 lacs during the previous year to Rs.382.74 during the current year i.e. an reduction of 55.78 %. During the year company has earned Profit after Tax of Rs.97.86 lacs as against Profit after Tax of Rs.403.76 lacs during the previous year i.e. a reduction of 75.76 %. This was due to down turn in the capital market which has affected the profitability of the company directly as well as indirectly. However, with revival of the primary as well as secondary market, we hope to improve the performance in the current year.

DIVIDEND

The Board of Directors does not recommend any dividend for the year 2008-2009 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. Sanatan N Munsif, Director and Chairman of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. After his appointment as director, he will continue to hold the Chairmanship of the Company.

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

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 August 25, 2009.

ANNUAL REPORT 2008-2009**FUTURE OUTLOOK**

Primary as well as secondary market has improved a lot after a slow-down for around 2 years and domestic as well as global factors seems to remain positive for the market. We expect that overall capital market will perform better and Company will be able to exploit the business opportunity in the primary market in which we primarily operate.

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 2009-2010.

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

None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, 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 23rd 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.

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 : August 25, 2009

Mohib N Khericha
Managing Director

A L Sanghvi
Vice chairman

CHARTERED CAPITAL AND INVESTMENT LIMITED**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 further depends on the overall economic condition in the country.

The Indian economy, which witnessed robust growth up to the second quarter of Financial Year (FY) 09, recorded sharp deceleration thereafter in the wake of persistent global economic slowdown. India's real GDP grew 6.7% during FY 09 as compared with 9% during the corresponding period of FY08. Though India's growth trajectory has been impacted both by the financial crisis and the global economic downturn, the structural drivers of the Indian economy continue to be intact, sustaining overall growth at a level much higher than most other economies in the world.

Fund raising activity by companies

During the financial year 2008-09, Rs.14,908.33 crores were mobilised via public issue, right issue & QIPs through 50 issues as compared to Rs. 1,12,799.57 crore mobilized through 152 issues during the corresponding period in the previous year. This shows the reduction of amount raised and the no. of issues by 87.06% and 71.05% respectively. This reflects the sluggish condition of the capital market during the financial year 2008-09.

However, the conditions are improving locally as well globally due to recovery of economic conditions in the Indian as well as global market.

B. Opportunities & Threats**Opportunities**

- Economy is still growing at healthy rate leading to investment / capital requirement
- Growing Financial Services industry's share of wallet for disposable income.
- Regulatory reforms would aid greater participation by all class of investors
- Leveraging technology to enable best practices and processes

Threats

- Execution risk
- Slowdown in global liquidity flows
- Increased intensity of competition from local and global players
- Unfavorable economic conditions

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 offer comprehensive Investment Banking solutions and transaction expertise covering equity offerings, debt and convertible instruments covering international & domestic capital markets. Our team comprises of multi-disciplinary professionals with a collective banking and corporate finance advisory experience. An extensive understanding of different sectors within the Investment Banking team enables us to provide customized financial solutions to our clients across industries. Our established track record, strong corporate relationships and experienced team would help us in gaining further profitable franchisee in this business.

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 15 years of experience in providing quality financial services and a dedicated and trained team is constantly evolving itself to retain its 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.

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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

During the year under review, gross income of the Company has decreased from Rs.865.51 lacs during the previous year to Rs.382.74 during the current year i.e. an reduction of 55.78 %. During the year company has earned Profit after Tax of Rs.97.86 lacs as against Profit after Tax of Rs.403.76 lacs during the previous year i.e. a reduction of 75.76 %. This was due to down turn in the capital market which has affected the profitability of the company directly as well as indirectly. However, with revival of the primary as well as secondary market, we hope to improve the 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 14 employees as on March 31, 2009.

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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