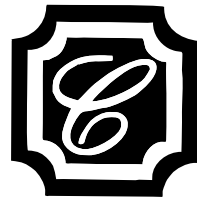


**TWENTY FOURTH ANNUAL REPORT  
2009-2010**



**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

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
LBS Road, Bhandup (W), Mumbai-400078.

**ISIN No : INE 953B01010**

**BSE Code : 511696**

**ASE Code : 11705**

## **CHARTERED CAPITAL AND INVESTMENT LIMITED**

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### **NOTICE**

Notice is hereby given that the 24th Annual General Meeting of the company will be held on Thursday, September 30, 2010 at 11:30 a.m. at the registered office of the company at 711, Mahakant, Opp. V. S Hospital, Ellisbridge, Ahmedabad - 380006 to transact the following business:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the year ended on the 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 a Director in place of Mr. Deepak P. Singhvi, 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 3, 2010

**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 a 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. Members are requested to notify immediately any change in address:
  - To their Depository Participants (DPs) in respect of the electronic share accounts; and
  - To Registrar and Share Transfer Agent of the Company in respect of their Physical share folios along with Bank particulars.
5. The register of Members and share transfer books of the company will remain closed from September 27, 2010 to September 30, 2010 (both days inclusive).

6. As per the requirement of clause 49 of the listing agreement on Corporate Governance for appointment of the retiring directors/re-appointment of retiring Directors, a statement containing details of the concerned Directors is given below.

Mr. Ashok Kavdia and Mr. Deepak P. Singhvi are retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. A brief resume of these Directors is mentioned below:

<b>Name of the 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>	23 years of experience in Audit & Finance relating matters, General Administration	19 years of experience with exposure in Stock broking, Merchant Banking, Project Finance, Corporate Finance, Taxing, Auditors etc.
<b>Qualifications</b>	FCA	B.Sc, FCA
<b>List of outside Directorship held</b>	Empirical Solutions Pvt. Ltd.	Shakti Share Shoppe Private Ltd. Pushplata Securities Pvt. Ltd Facts Share Shoppee Private.Ltd
<b>Chairman/member of the committee of the Board of Directors of the Company*</b>	Audit Committee –Chairman Shareholders/Investor 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/Investor Grievance Committee has been considered.

7. Members requiring information, on all documents referred to in the accompanying notice are requested to write to the Company for the same at least 7 days before the date of the meeting so as to enable the company to furnish the same.
8. 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.

**By order of the Board of Directors**

Place : Ahmedabad  
Date : September 3, 2010

**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 24th Annual report together with the Annual Audited Accounts of the Company for the year ended March 31, 2010.

#### **FINANCIAL RESULTS**

The Financial results for the year ended March 31, 2010 are summarized as under:

<b>Particulars</b>	<b>(Rs. in lacs)</b>	
	<b>For the year ended</b>	
	<b>31/03/2010</b>	<b>31/03/2009</b>
Total Income	<b>561.84</b>	382.74
Profit (Loss) before depreciation and taxes	<b>355.76</b>	147.88
Less: Depreciation	<b>1.67</b>	2.90
Less: Provision for taxes	<b>99.50</b>	46.50
Add: Deferred Tax Credit	<b>0.47</b>	0.10
Profit (Loss) After Tax	<b>255.06</b>	97.86

#### **OPERATIONS**

During the year under review, gross income of the Company increased from 382.74 lacs during the previous year to Rs. 561.84 lacs during the current year i.e. an increase of 46.79 %. During the year company has earned profit after tax of Rs. 255.06 lacs as against Profit after Tax of Rs. 97.86 during the previous year i.e. an increase of 160.64 %. The gradual increase in the capital market has lead to an improvement in the overall performance of the company.

#### **DIVIDEND**

The Board of Directors does not recommend any dividend for the year 2009-2010 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 Kavadia and Mr. Deepak P. Singhvi, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

The brief resume/detail relating to the Directors 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 closed herewith vide "Annexure" 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 September 3, 2010.

#### **FUTURE OUTLOOK**

The Indian capital markets have performed better than most others during this financial year. Markets went through some testing times during the second half, but we see good opportunities in the year ahead. We are likely to witness a lot of activity

in all the spheres of the capital market. The projected growth of the Indian economy along with the resultant growth in the capital markets compels us to identify the enabling factors and to work towards putting them in place, at the earliest.

**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 2010-2011.

**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 along with 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 24th 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.

**Acknowledgement**

The Board of Directors wish to express their gratitude and appreciation for the continuous support and co-operation extended by the Banks, the Securities and Exchange Board of India, the Stock Exchanges, various Government authorities, Financial Institutions and all shareholders.

Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

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

Place : Ahmedabad  
Date : September 3, 2010

**Mohib N Khericha**  
Managing Director

**A L Sanghvi**  
Vice chairman

**ANNEXURE**  
**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 has emerged out of the global turmoil in the year 2008-09 relatively unscathed, witnessed a quick rebound in the year 2009-10. The growth story of India has always looked robust compared to its peers, given the long-term dynamics in its favour. A lower export dependence and high domestic demand saw India emerge relatively unharmed from the global turbulence. India, along with China, was the only major economy to have registered a 5%+ growth in every quarter even during recession. As demand improved and situations got better globally, growth estimates began getting revised upwards, mid of CY09 onwards. Union Budgets also kept boosting growth expectations as government policies succeeded in balancing the trade-off between stimulating growths and reducing deficits.

**Fund raising activity by companies**

There is a strong investor interest and the Indian corporate's are feeling confident to bring back their capital-raising plans on track. An efficient primary market is critical for resource mobilisation by corporate's to meet their growth and expansion plans. Indian primary market witnessed renewed activity in terms of resource mobilisation and number of issues during 2009-10, building it further from its relatively subdued pace in 2008-09. In view of the recovery witnessed in equity markets post global financial crisis, companies entered the primary market and investors' response to public issues was encouraging in 2009-10 when compared to 2008-09. Equity capital was raised to the tune of Rs.55, 055 crore through 73 issues during 2009-10, higher than Rs.14,72 crore mobilised through 46 issues during 2008-09. The ongoing reforms in the primary market further helped in maintaining the investors' confidence.

**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**

India along with China has distinguished itself among few major economies in the world to post a 5%+ GDP growth rate even during the worst of the global financial crisis. This can be attributed largely to a stable government spending on infrastructure. The financial services sector has shown rapid growth with an improvement in the economic environment and primary issuance has staged a sharp revival. Emerging markets too, have given handsome returns while the debt market also shows some sign of recovery. The regulator continues to implement various measures to push the growth of the country higher and higher which will result in faster growth of the financial services sector.

**E. Risk Management**

We believe in protecting our capital and safeguarding the health of our balance sheet at all times. We practice an analytically driven approach to assessing, measuring and managing risk. It is the culture of risk awareness and respecting risk that has enabled us to build businesses on strong foundation and manage the volatility across cycles. After the volatility and the downturn observed in FY09, where the focus had shifted to controlling costs and risks, the year FY10 has seen growth coming back. But we continue to build upon our commitment to prudent risk management while scaling up our businesses.

**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 increased from 382.74 lacs during the previous year to Rs. 561.84 lacs during the current year i.e. an increase of 46.79 %. During the year company has earned profit after tax of Rs. 255.06 lacs as against Profit after Tax of Rs. 97.86 during the previous year i.e. an increase of 160.64 %.The gradual increase in the capital market has lead to an improvement in the overall performance of the company.

**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 12 employees as on March 31, 2010.

**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 LIMITED

### REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

#### Company's Philosophy on Corporate Governance

Corporate Governance is about promoting corporate transparency, accountability and it is an effective tool for ensuring and maintaining integrity of the management. Good corporate governance practices have always been an integral part of your company's philosophy and it is committed to achieving and maintaining the highest standard of corporate governance. Good corporate governance is an ongoing process for two reasons: to protect stakeholder's interest and to ensure that no stakeholder benefits at the expense of others and the Board of Directors remain committed towards this goal.

A detailed Compliance Report in this regard is given below:

#### 1. Company's Policy

The company perceives good corporate governance practices as an effective means for attaining higher corporate growth and long term shareholder value creation. The company firmly believes that its system and actions must be devoted for enhancing corporate performance and maximizing shareholder value in the long run. Our company treats the system of corporate governance not as a mere structure but as a way of corporate life.

#### 2. Board of Directors

As on date, the Board of Directors of the company comprises 5 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	PromoterDirector, Non Executive Director & Vice Chairman	Nil	2	Nil	Nil	Nil
Mr. Mohib N. Khericha	Promoter Director, Managing Director	4	10	Nil	3	Nil
Mr. Deepak P. Singhvi	Non Executive Independent Director	Nil	3	Nil	Nil	Nil
Mr. Ashok Kavdia	Non Executive Independent Director	Nil	1	Nil	Nil	Nil

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

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

Director	No. of Meetings		Last AGM attended
	Held	Attended	
Mr. Sanatan Munsif	17	05	No
Mr. A.L.Sanghvi	17	17	Yes
Mr. Mohib N. Khericha	17	17	Yes
Mr. Ashok Kavdia	17	11	Yes
Mr. Deepak Singhvi	17	08	No

The Board of Directors met 17 times during the year on the following dates:

April 04, 2009, April 11, 2009, April 30, 2009, May 26, 2009, July 25, 2009, July 28, 2009, August 6, 2009, August 11, 2009, August 25, 2009, September 18, 2009, October 26, 2009, 13 November 2009, January 28, 2010, February 19, 2010, March 9, 2010, March 19, 2010, and March 25, 2010.

The Company placed before the Board various information including those specified under Annexure IA of the Listing Agreement, as applicable from time to time.

### 3. Code of Conduct

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective codes have been made by the Directors and Senior Management of the Company.

#### **DECLARATION**

As provided under Clause 49 1D of the Listing Agreement of the stock exchanges, All Board Members and Senior Management Personnel have affirmed compliance with the code of conduct of the company for the year ended March 31, 2010.

For **Chartered Capital And Investment Limited**

**Mohib N. Khericha**  
Managing Director

Place : Ahmedabad  
Date : September 3, 2010

### 4. 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**

The Audit Committee of the company has been constituted with three directors, Viz.,

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

The committee met 5 times during the year i.e. April 30, 2009, July 25, 2009, Aug 25, 2009, Oct 26, 2009 & January 28, 2010 and the attendances of members of the committee were as follows:

Member	No. of Meetings	
	Held	Attended
Mr. Ashok Kavadia	5	5
Mr. A L Sanghvi	5	5
Mr. Sanatan .N. Munsif	5	5

### 5. Remuneration Committee

The terms of reference of the Remuneration Committee, inter alia, consist of reviewing the overall compensation policy, service agreements and other employment conditions of Executive Director(s). The recommendation of the Remuneration Committee are considered and approved by the Board of Directors, subject to the approval of the shareholders.

The composition of the Remuneration Committee is:

- a) Mr. Sanatan N. Munsif- Chairman
- b) Mr. Ashok Kavdia – Member
- c) Mr. A.L. Sanghvi – Member