

**TWENTY FIFTH ANNUAL REPORT
2010-2011**



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
Ellisbridge, 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

CIN

L45201GJ1986PLC008577

WEBSITE

www.charteredcapital.net

SHARE TRANSFER AGENT

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

ISIN No : INE 953B01010

BSE Code : 511696

ASE Code : 11705

CHARTERED CAPITAL AND INVESTMENT LIMITED

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the company will be held on Friday, September 30, 2011 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 on March 31, 2011 and the Profit and Loss Account for the year ended, 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 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, 2011

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 shares in dematerialised form; and
5. The register of Members and share transfer books of the company will remain closed from Monday, September 26, 2011 to Friday, September 30, 2011 (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. A L Sanghvi is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. A brief resume of the Director is mentioned below:

Name of the Director	Mr.A.L.Sanghvi
Date of Birth	January 21, 1948
Date of Appointment	January 11, 2005
Expertise in specific functional areas	A Chartered Accountant active in professional practice for over 38 years. He has established himself as a well known Chartered Accountant in Ahmedabad. His activities includes corporate finance, advising on Taxation and other allied matters. He was 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 September 2001 to October, 2005
Qualifications	FCA
List of outside Directorship held	Realtime Tradelinks Private Limited Realtime Corporate Services Private Limited
Chairman/member of the committee of the Board of Directors of the Company*	Member of Audit Committee Member of Shareholders/Investor Grievance Committee
Chairman/member of the committee of the Board of Directors of other Companies in which he is a director*	Nil
Shareholding in the company	337600

*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.
9. 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.

By order of the Board of Directors

Place : Ahmedabad
Date : September 3, 2011

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 25th Annual report together with the Annual Audited Accounts of the Company for the year ended March 31, 2011.

FINANCIAL RESULTS

The Financial results for the year ended March 31, 2011 are summarized as under:

(Rs. in lacs)

Particulars	For the year ended	
	31/03/2011	31/03/2010
Total Income	858.17	561.84
Profit (Loss) before depreciation and taxes	609.53	355.76
less: Depreciation	1.87	1.67
Less: Provision for taxes	182.20	99.50
Add: Deferred Tax Credit	0.46	(0.47)
Profit (Loss) After Tax	425.01	255.06

OPERATIONS

During the year under review, gross income of the Company increased from 561.84 lacs during the previous year to Rs. 858.17 lacs during the current year i.e. an increase of 52.74%. During the year company has earned profit after tax of Rs. 425.01 lacs as against Profit after Tax of Rs. 255.06 during the previous year i.e. an increase of 66.63%. The gradual increase in the capital market has led to an improvement in the overall performance of the company.

DIVIDEND

The Board of Directors does not recommend any dividend for the year 2010-2011 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 Director & Vice-Chairman of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

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 their re-appointment as Director of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report has been closed 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 September 3, 2011.

FUTURE OUTLOOK

The economic outlook for the year 2011, inflation, interest rates and current account deficit would be the reason for slowing the down the economic growth. RBI, alongside inflation concern, should think about the economic expansion of the country since the

liquidity situation could get distressed and will put India's economic growth at risk. Moreover, the higher cost of credit will certainly have an impact in the corporate balance sheet, which will prevent the short term foreign inflows in the country to finance the current account deficit until inflation sustained below comfort zone of reserve bank. Inflation would continue to remain the predominant concern for the debt market. We are likely to witness a lot of activity in all the spheres of the capital market. Inflation risks stayed, while growth showed a sign of moderation. On current reckoning, growth is likely to stay around trend growth of around 8 per cent. However, downside risks have increased. Overall, some moderation in growth is expected in 2011-12.

STOCK EXCHANGES

The Company's shares are listed on Bombay Stock Exchanges Limited (BSE) and Ahmedabad Stock Exchange Limited (ASE). The company has paid necessary listing fees of both the stock exchanges for the year 2011-2012.

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 25th 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, 2011

Mohib N Khericha
Managing Director

A L Sanghvi
Vice chairman

ANNEXURE
MANAGEMENT DISCUSSION & ANALYSIS

A. Industry Structure and Developments

The company is operating in the Merchant Banking industry; therefore its performance is largely dependent on the state of the capital markets and the macroeconomic conditions, within the country and globally.

The Indian economy's GDP growth has returned to its pre-crisis trajectory. As per data released by the Central Statistical Organization (CSO), GDP at factor cost is estimated at 8.6% in 2010-11. However inflation stayed beyond the RBI's comfort level, and thus led to an anti-inflationary stance shown by continuous monetary tightening. The deposit growth rate increased and credit growth decreased, which helped limit the inflationary pressures in the economy. Nevertheless, these pressures have continued to show, due to a series of supply shocks. Despite this, financial markets have remained orderly and asset prices have shown low volatility. However, indications of moderations in growth have also emerged, leaving the policymakers in the balancing act of inflation and growth.

Fund raising activities (Primary Security Market)

An efficient primary market is critical for resource mobilisation by corporate's to meet their growth and expansion plans. Equity markets in India showed volatility and tranquillity, during the global financial crisis. However, volatility has been low during the recovery period and has carried the same trend into the first quarter of 2011-12. Despite this, resource mobilization from the capital market through public issues has been low in the first quarter of 2011-12, when compared to the corresponding quarter in the previous financial year. This is due to the poor performance of IPO's after their listing which lowered investor confidence. The resources raised through public issuances were higher in 2010-11 than in the previous financial year, building it further from the subdued pace in 2008-09. Capital (equity and debt) was raised to the tune of 67609 crore through 91 issues during 2010-11, higher than 57, 555 crore mobilised through 76 issues during 2009-10.

B. Opportunities & Threats**Opportunities**

- Indian economy one of the fastest growing, whilst the global economy recovers from the financial crisis
- As per revised estimates released by the Central Statistical Organisation (CSO), the Indian economy grew by 8.5% in 2010-11, as compared to 8% in the previous financial year.
- New guidelines and regulations to promote orderly growth of securities market while ensuring transparency, efficiency, fairness, safety and integrity, which would increase the participation of investors.

Threats

- High domestic inflation, as headline inflation stayed around 9% in 2010-11.
- Global uncertainties, as the sovereign debt crisis unfolds in Europe, US credit rating downgraded, and a near stalling of growth in the developed world.
- High current account deficit, as quantitative easing in advanced countries may cause intensification of capital inflows into emerging market economies.
- Volatile stock markets, as they respond to domestic and global developments.
- Increasing crude oil and other commodity prices.

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 May 3, 2011 Monetary Policy Statement projected baseline real GDP growth for 2011-12 at around 8.0 per cent. The baseline scenario envisages some moderation in growth partly as a result of the monetary stance, but this is consistent with the objective of controlling inflation. However, the extent of moderation will be limited by the overall buoyancy in consumption, in part an outcome of overall increases in real wages.

Whilst growth has remained robust, inflation continues to be a concern. Inflation has persisted at levels beyond the Reserve Bank's comfort level (averaging 9.5% in the first quarter of 2011-12), which is inimical to growth. Inertial dynamics in wage and food prices have exacerbated the inflationary pressures. Inflation risks have stayed and high inflation is likely to persist

during Q2 of 2011-12, though moderation in inflation is expected in the later part of the year. On the other hand, growth has showed signs of some moderation. While monetary policy has been considerably tightened, the policy exigency at this juncture warrants continuation of anti-inflationary stance to tame inflation and anchor inflationary expectations.

Though, the risks to growth cannot be overlooked by monetary policy. The challenge for the RBI, will be sustaining the level of growth, whilst tightening monetary policy further to lower inflation. The recent moderation in growth will certainly help to ease inflation, reinforced by a possible fall in global commodity prices.

E. Risk Management

While the business risk environment gradually improved during the year, several macro economic and regulatory developments required our close monitoring and interventions. In our key markets, business outlook indicators improved and the financial position of several key clients stabilized during the year. While unemployment rates in key markets moderated, they continued to be high prompting several government policy interventions. Macroeconomic developments in the Eurozone led to high volatility in currencies. Keeping in view the business risk environment, we closely monitored our competitive position and deployed interventions.

Our risk management approach and practices continued to focus on minimizing the adverse impact of risks on our business objectives and to enable the Company to leverage market opportunities based on risk-return parity. Our periodic assessment and monitoring of business risk and regulatory environment resulted in timely deployment of appropriate mitigation measures.

F. Internal Control Systems & Their Adequacy

We continued our emphasis on talent management relating to attraction, retention, engagement and competency development. 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 561.84 lacs during the previous year to Rs. 858.17 lacs during the current year i.e. an increase of 52.74 %. During the year, the company has earned profit after tax of Rs. 425.01 lacs as against Profit after Tax of Rs. 255.06 lacs during the previous year i.e. an increase of 66.63 %.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, 2011.

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

Sound Corporate Governance is a key driver of sustainable corporate growth and long-term value creation for the shareholders and protection of their interests. It 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. Corporate Governance practices have to not only deal with the growing size of the business but also the increase in complexities of the organisation structure that supports such aggressive growth. In India, Corporate Governance standards for listed companies are regulated by the Securities & Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement with the Stock Exchanges. Good corporate governance is an ongoing process for two reasons: to protect shareholders interest and to ensure that no shareholder 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 of 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	5	9	3	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	11	05	No
Mr. A.L.Sanghvi	11	11	Yes
Mr. Mohib N. Khericha	11	11	Yes
Mr. Ashok Kavdia	11	11	Yes
Mr. Deepak Singhvi	11	07	No

The Board of Directors met 10 times during the year on the following dates:

April 29, 2010, July 23, 2010, July 31, 2010, August 4, 2010, August 24, 2010, September 3, 2010, September 30, 2010, October 6, 2010, October 30, 2010, January 24, 2011, February 8, 2011.

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, 2011.

Mohib N. Khericha
Managing Director

Place : Ahmedabad
Date : September 3, 2011

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 29, 2010, July 31, 2010, September 3, 2010, October 30, 2010 & February 8, 2011 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