

CIN:L72900GJ1992PLC017494

19/10/2018

TO,
BSE LTD.
FLOOR 25, P. J. TOWERS
DALAL STREET,
MUMBAI - 400001

SUB.: Submission of Annual Report of 26th Annual General Meeting

Dear Sir,

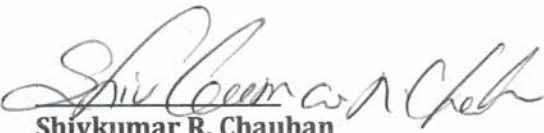
With reference to the above captioned subject, we hereby submitting a copy of the Annual Report of 26th Annual General Meeting of the Company held on Friday, 26th September, 2018 at 02.00 P.M. at the registered office of the Company situated at 108-B/109, Sampada Building, Mithakhali Six Road, Opp-Hare Krishna Complex, B/H Kiran Motors, Ahmedabad-380009

Kindly take the above information on your record.

Thanking You,

Yours faithfully,

For, CHARMS INDUSTRIES LIMITED



Shivkumar R. Chauhan
Managing Director
(DIN: 00841729)



26th

ANNUAL REPORT

2017-18

**CHARMS INDUSTRIES
LIMITED**

26th ANNUAL REPORT 2017-2018

BOARD OF DIRECTORS

- HARSAD SHANTILAL GANDHI
(Chairman)
- SHIVKUMAR RAGHUNANDAN CHAUHAN
(Managing Director)
- NISHIT MADHAVBHAI RUPAPARA
- NEHAL SHIVKUMAR CHAUHAN
- PARTH SHIVKUMAR CHAUHAN
- BIREN JAGDISHKUMAR THAKER
(Chief Financial Officer)

BANKERS

- INDIAN OVERSEAS BANK
- ICICI BANK
- DEVELOPNMNET CREDIT BANK

AUDITORS

M/s B.S. RAJPUT & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

REGISTERED OFFICE

108-B/109
SAMPADA BUILDING
MITHAKHALI SIX ROADS
OPP-HARE KRISHNA COMPLEX
B/H KIRAN MOTORS
AHMEDABAD 380009

REGISTAR AND SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED
A-802, SAMUDRA COMPLEX,
NEAR KLASSIC GOLD HOTEL,
OFF C.G. ROAD NAVRANGPURA,
AHMEDABAD-380009

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As measures of economic copies of the Annual Report will not be distributed at Annual General Meeting. Shareholders are requested to kindly bring their notice to the meeting.

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

We are happy to report a solid performance in FY18, with 34% increase in total revenue. We have undertaken several strategic initiatives to drive improvement across operating parameters and create a more efficient and sustainable business framework. Focusing on growth investments, while rationalizing cost structures. Growth has been broad-based across key segments, triggering the multiple demand drivers that underpin our multi-faceted business. The trend this year is once again looking positive.

The Technology driven solutions and re-engineering of its business and processes would have stress on current year's performances to achieve long term sustainable market penetration and market share improvements.

On behalf of the Board, I would like to thank all our stakeholders including shareholders, investors, bankers, creditors and employees for their continued support. I would like to express my sincere gratitude to all the members of our Board for their continued insights and invaluable guidance as we explore new opportunities and move ahead with confidence.

Warm regards,

Shivkumar Raghunandan Chauhan
Managing Director
(DIN-00841729)

NOTICE

NOTICE is hereby given that the **26th Annual General Meeting of Charms Industries Limited** will be held on **28th day of September, 2018** at 2.00 PM at registered office of the Company situated at 108-B/109, Sampada Building, Mithakhali Six Road, Opp-Hare Krishna Complex, B/H Kiran Motors Ahmedabad-380009 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2018 including Audited Balance Sheet as at 31st March 2018 and the Statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Shivkumar Raghunandan Chauhan (DIN- 00841729), who retires by rotation and being eligible, offers himself for re-appointment as a Director of the Company.

SPECIAL BUSINESS:

3. APPOINTMENT OF STATUTORY AUDITORS TO FILL CASUAL VACANCY :

To consider and, if thought fit, with or without modification(s), to pass the following resolution(s) as an **Ordinary Resolution(s)**:

“**RESOLVED THAT** pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), as recommended by the Board of Directors of the company, M/s. Jigar Shah & Associates, Chartered Accountants, Ahmedabad (FRN.: 128263W), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. B.S. Rajput & Associates, Chartered Accountants, Ahmedabad (FRN.: 119760W).

RESOLVED FURTHER THAT any of the Board of Directors, be and is, hereby empowered and authorised to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E-Forms with Registrar of Companies.”

4. TO APPOINT M/S. JIGAR SHAH & ASSOCIATES, CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS OF THE COMPANY:

To consider and, if thought fit, with or without modification(s), to pass the following resolution(s) as an **Ordinary Resolution(s)**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, as amended from time to time, M/s. Jigar Shah & Associates, Chartered Accountants, Ahmedabad (FRN.: 128263W), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 26th Annual General Meeting (AGM) till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2023, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

RESOLVED FURTHER THAT any of the Board of Directors, be and is, hereby empowered and authorised to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E-Forms with Registrar of Companies.”

For and on behalf of the Board
Sd/-
Harsad Shantilal Gandhi
Chairman & Director
(DIN: 01056779)

Place: Ahmedabad

Date: 14th August, 2018

IMPORTANT NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective, must be received by the Company, duly filled, stamped and signed, at its Registered Office not less than 48 hours before the Meeting.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority letter, as applicable, issued on behalf of the nominating organization.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

2. Members/Proxies/Authorized representatives should bring the duly filled Attendance Slip enclosed herewith along with their copy of the Annual Report to attend the Meeting.
3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Relevant documents referred to in the accompanying Notice and the Statement, are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays during business hours up to the date of the Meeting.
6. Profile of the Directors seeking appointment / re-appointment, as required in terms of Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is annexed to this Notice.
7. Members desirous of getting any information about the Accounts of the Company are requested to write to the Company at least seven days in advance of the Meeting, so that the information can be kept ready at the Meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are

required to submit their PAN details to the Registrar and Share Transfer Agent i.e. Bigshare Services Private Limited. A-802 Samudra Complex, Near Klassic Gold Hotel, Off C G Road Navrangpura, Ahmedabad – 380 009, Gujarat for assistance in this regard..

9. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact Bigshare Services Private Limited. A-802 Samudra Complex, Near Klassic Gold Hotel, Off C G Road Navrangpura, Ahmedabad – 380 009, Gujarat for assistance in this regard.
10. The Annual Report of the year 2017-18 of the Company circulated to the Members of the Company will be made available on the Company's website at <http://www.charmsindustries.in/> and also on the website of the respective Stock Exchanges at www.bseindia.com and the physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours and only on working days. Members who have not registered their e-mail addresses so far as requested to receive all communication including Annual Report, Notices, Circulars etc. from the Company electronically, may also registered their e-mail addresses.
11. Equity Shares of the Company are available for dematerialisation, as the Company has entered into an agreement with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization services of its Equity Shares. Those Shareholders who wish to hold shares in electronic form may approach their Depository Participant. ISIN No. of the Company's Equity Share is INE442C01012.
12. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of members and share transfer books of the company will remain closed from Friday, 21st September, 2018 to Friday, 28th September, 2018 (both days inclusive).
13. Any recipient of the Notice, who has no voting rights as on the Cut-off date i.e. 21st September, 2018 shall treat this Notice as intimation only.
14. The Route Map showing directions to reach the venue of the 26th AGM is annexed as per requirement of SS-2 on general meetings.
15. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013. The Register of contract and arrangements in which the directors are interested under section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

VOTING THROUGH ELECTRONIC MEANS:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, along with Regulation 44 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulation 2015, the company is pleased to

provide members facility to exercise their right to vote at 26th Annual general Meeting by electronic means and the business may be transacted through e-voting services. The members may cast their votes using an electronic voting system through remote e voting services provided by CDSL (Central Depository Services Limited) from a place other than venue of the meeting.

1. The Members whose names appear in the Register of Members / List of Beneficial Owners maintained by the Depositories as on 21st September, 2018 (cut-off date) are entitled to vote on the resolutions set forth in this Notice.
2. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. 21st September, 2018 shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Polling Paper at the AGM by following the procedure mentioned in this part.
3. The e-voting facility is available at the link www.evotingindia.com.
4. The remote e-voting begins on 25th September, 2018 (10:00 a.m.) and will end on 27th September, 2018 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 21st September, 2018, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above. The e-voting module shall be disabled by CDSL for voting thereafter.
5. The Company has appointed Mr. Devesh Khandelwal, Proprietor of Khandelwal Devesh & Associates, Practicing Company Secretary (Membership No. FCS: 6897; COP No: 4202, to act as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.
6. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on the cut-off date i.e. 21st September, 2018.
7. Members can opt for only one mode of voting, i.e., either by physical poll or remote e-voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through physical poll will be treated as invalid.
8. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
9. Members who do not have access to remote e-voting facility have been additionally provided the facility of voting through Ballot paper. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
10. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

The Procedure And Instructions For Remote E-Voting Are As Under:-

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on Shareholders.
3. Now Enter your User ID
For CDSL: 16 digits beneficiary ID,
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
Members holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none"> • Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> • Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Members holding shares in physical form will directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
11. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
13. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
16. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. Shareholders can also use Mobile app - “m - Voting” for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
18. Note for Non – Individual Shareholders and Custodians.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
19. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

The Scrutinizer shall immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.charmsindustries.in/> and shall also be communicated to Stock Exchanges where the shares of the Company are listed in pursuant to Regulation 44 of the SEBI (Listing Obligation And Disclosure Requirements) Regulation, 2015.

For and on behalf of the Board
Sd/-
Harsad Shantilal Gandhi
Chairman & Director
(DIN: 01056779)

Place: Ahmedabad
Date: 14th August, 2018

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT,
2013****ITEM No. 3**

M/s. B.S. Rajput & Associates, Chartered Accountants, Ahmedabad (FRN.: 119760W), the existing Auditor have tendered their resignation from the position of Statutory Auditors due to pre occupation and the same has been approved by the board on the board meeting held on 14/08/2018, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Your board approached to M/s. Jigar Shah & Associates, Chartered Accountants, Ahmedabad (FRN: 128263W) to act as Statutory Auditor of the Company and received their affirmation therefore Board of Directors recommended appointment of M/s. Jigar Shah & Associates, Chartered Accountants as a Statutory Auditor to fill the casual vacancy caused by the resignation M/s. B.S. Rajput & Associates, Chartered Accountants, Ahmedabad.

M/s. Jigar Shah & Associates, Chartered Accountants, Ahmedabad have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

The Board recommends passing of resolution as set out in ITEM No 3 of this notice.

None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

ITEM No. 4

M/s. Jigar Shah & Associates, Chartered Accountants, Ahmedabad shall hold office as statutory auditor from the conclusion of 26th Annual general meeting till the conclusion of 31st Annual general meeting.

M/s. Jigar Shah & Associates, Chartered Accountants, Ahmedabad have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

The Board recommends passing of resolution as set out in ITEM No 4 of this notice.

None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

For and on behalf of the Board
Sd/-
Harsad Shantilal Gandhi
Chairman & Director
(DIN: 01056779)

Place: Ahmedabad

Date: 14th August, 2018

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER
REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS 2015**

NAME OF DIRECTORS	Mr. SHIVKUMAR RAGHUNANDAN CHAUHAN
Age /Date of Birth	01/07/1958
Date of Appointment	18/09/1993
Qualification and experience in specific functional areas	He is Arts Graduate and has 27 years experience in of management and Administration.
Directorship held in other companies*	NIL
Membership / chairmanships of committees in other Public companies*	NIL
Number of Shares held in the Company	9,68,540
Relationship of the Directors Interse	<ul style="list-style-type: none"> • Nehal Shivkumar Chauhan (Wife) • Parth Shivkumar Chauhan (Son)

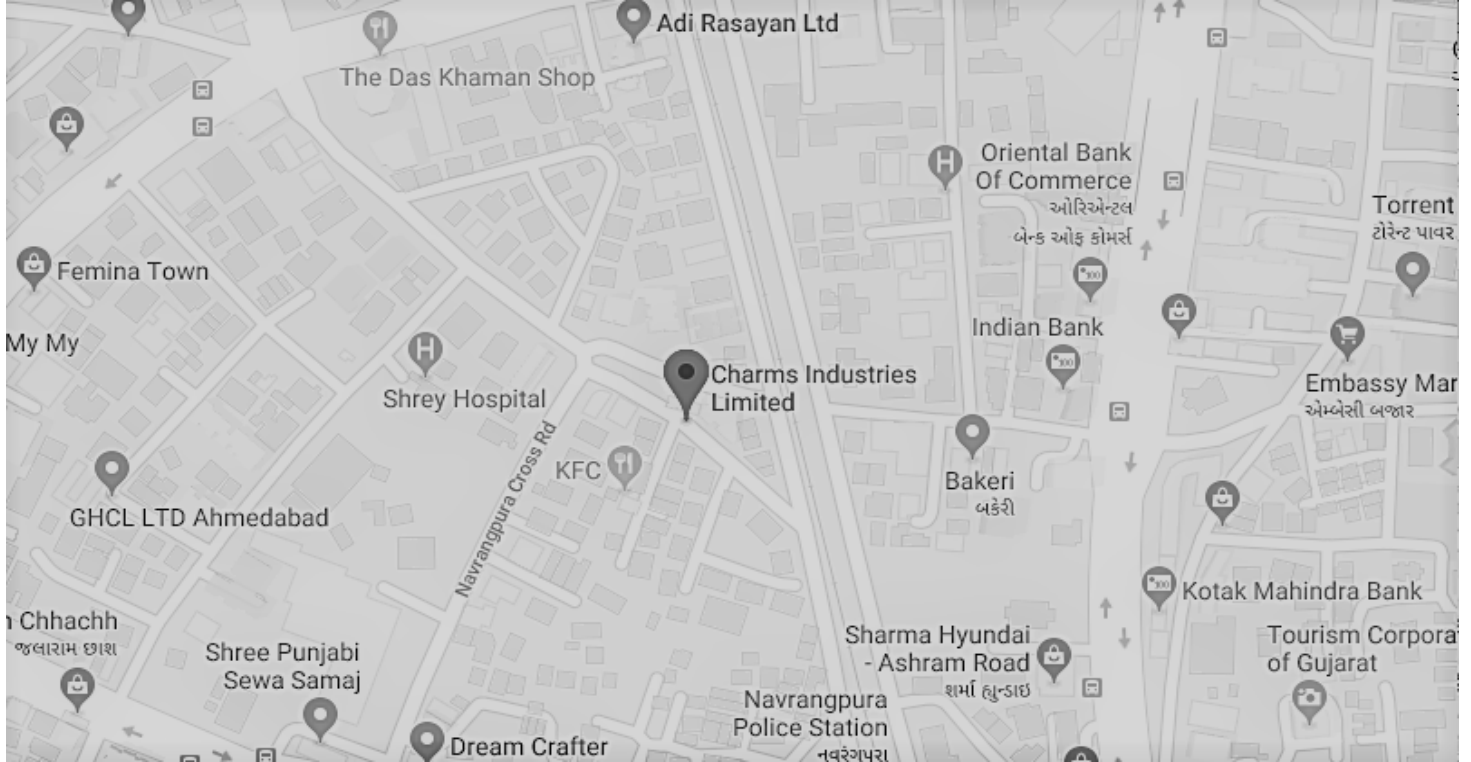
***Pvt. Companies excluded**

**For and on behalf of the Board
Sd/-
Harsad Shantilal Gandhi
Chairman & Director
(DIN: 01056779)**

Place: Ahmedabad

Date: 14th August, 2018

ROAD MAP FOR VENUE OF ANNUAL GENERAL MEETING OF CHARMS INDUSTRIES LIMITED



CHARMS INDUSTRIES LIMITED
108-B/109, Sampada Building ,
Mithakhali Six Road,
Opp-Hare Krishna Complex,
B/H Kiran Motors Ahmedabad-380009

DIRECTORS' REPORT

TO THE MEMBERS OF CHARMS INDUSTRIES LIMITED

The Directors are pleased to present this 26th Annual Report and the Audited Statement of Accounts for the year ended March 31, 2018.

1. FINANCIAL RESULTS

Particulats	For the year ended March 31, 2018 (Rs in lakh)	For the year ended March 31, 2017 (Rs in lakh)
Total Income including exceptional items	4,06,18,448	3,03,84,980
Profit / (Loss) Before Depreciation	(4,98,861)	(1041495)
Less : Depreciation	1,31,685	16,024
Profit / (Loss) Before Tax	(6,30,546)	(73,87,137)
Less : Income Tax	-	-
Less : Deferred Tax	-	-
Profit / (Loss) After Tax	(6,30,546)	(73,87,137)
Other Comprehensive Income Net of Tax	-	-
Total Comprehensive Income for the year	-	-

The Financial Statements of the Company are prepared in accordance with Indian Accounting Standards (IND AS) including the Rules notified under the relevant provisions of the Companies Act, 2013, form part of the Annual Report and Accounts. The Company has adopted IND AS w.e.f. 01.04.2017, the date from which the said standards are mandatorily applicable and accordingly has changed number of Accounting Policies as detailed in "Significant Accounting Policies" forming part of Financial Statements for F.Y. 2017-18 in line with the applicable IND AS. Figures for F.Y. 2016-17 has been restated as per IND AS and therefore may not be comparable with Financials for F.Y. 2016-17 approved by the Directors and disclosed in the Financial Statements of the previous year.

2. DIVIDEND

In view to conserve the resource of the Company, your Directors do not recommend any dividend for the year ended 31st March, 2018.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

4. Reserves

The Company has not transferred any amount to Reserves

5. PERFORMANCE

The Company continued its strides in its core business activities of Money Changing as an RBI Registered Authorized Dealer Category-II

6. SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

The Company does not have any SUBSIDIARY/ASSOCIATE / JOINT VENTURE COMPANIES.

7. Change in Nature of Business

The Company is engaged in the business of Money Changer. There was no change in the nature of business activities of the Company during the year under review.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The board consist of adequate number of director as per the Companies act 2013, SEBI Regulations, and other applicable laws.

a. Composition of Board

Name of Directors	Designation	Category	No. of Board Meeting held	No. of Board Meeting Attended
Shivkumar Chauhan	Managing Director	Promoter Executive	5	5
Harsad Shantilal Gandhi	Chairman & Director	Independent	5	5
Parth Shivkumar Chauhan	Director	Promoter Non-Executive	5	5
Nishit Madhavbhai Rupapara	Director	Independent	5	4
Nehal Shivkumar Chauhan	Director	Promoter Non-Executive	5	5

b. Retirement by rotation:

In accordance with the provisions of the Articles of Association of the Company and Companies Act, 2013, Mr. Mr. Shivkumar Raghunandan Chauhan (DIN- 00841729) retires by rotation and being eligible have offered herself for reappointment.

c. Declaration of Independence

Mr. Harsad S. Gandhi (DIN: 01056779) and Mr. Nishit M. Rupapara (DIN:02859031) are the existing Independent Directors the Company and the Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued there under as well as Regulation 16(1)(b) of Listing Regulations (including any Statutory modification(s) or re-enactment(s) for the time being in force).

d. Evaluation of Board's Performance

Pursuant to provisions of the Companies Act and the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, performance of the Chairman, the Committees and independent Directors without participation of the relevant Director. The Nomination and Remuneration Committee of the Board continuously evaluates the performance of the Board and provides feedback to the Chairman of the Board. The independent directors had a separate meeting without the presence of any non independent directors and management and considered and evaluated the Board's performance, performance of the Chairman and other non independent directors and shared their views with the Chairman. The Board had also separately evaluated the performance of the Committees and independent directors without participation of the relevant director.

e. Number Of Meetings Of The Board

Regular meetings of the Board are held to discuss and decide on various business policies, strategies, financial matters and other businesses. During the year, the Board duly met Five (5) times on 22nd May 2017, 11th August 2017, 14th September, 2017, 14th December 2017 and 12th February, 2018 in respect of said meetings proper notices were given and proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

9. EXTRACT OF ANNUAL RETURN AS PER SECTION 92(3) OF COMPANIES ACT, 2013

An extract of Annual Return as at 31st March 2018

forming part of this Report is attached as "Annexure 1" to this Report.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) of the Companies Act, 2013, your Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii) that the Directors had 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 of the Company for that period;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- iv) that the Directors had prepared the annual accounts on a going concern basis.
- v) that the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively ;

11. DISCLOSURE OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS

a. AUDIT COMMITTEE:

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section.

The details of composition of Audit Committee are as follows:

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	Position	NUMBER OF MEETINGS	
			HELD	ATTENDED
Mr. Harsad S. Gandhi	Independent and Non Executive	Chairman	5	5
Mr. Nishit M. Rupapara	Independent and Non Executive	Member	5	4
Mr. Shivkumar R. Chauhan	Promoter and Managing Director	Member	5	5

pursuant to section 92(3) of the Companies Act, 2013 and

Terms of reference:

The broad terms of reference of the Audit Committee are as under:

- Reviewing of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of external Auditor.
- Review and monitor the auditor’s independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing with management the Annual financial statements and half yearly and Quarterly financial results before submission to the Board.
- Reviewing periodically the adequacy of the internal control system.
- Discussions with Internal Auditor on any significant findings and follow up there on.

Meetings:

During the met Five (5) times on 22nd May 2017, 11th August 2017, 14th September, 2017, 14th December 2017 and 12th February, 2018 .The necessary quorum was present at the Meetings

b. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of Directors was constituted pursuant to the provisions of Section 178 of the Companies Act, 2013. The composition of the Committee is in conformity with the provisions of the said section.

The details of composition of Nomination and Remuneration Committee are as follows:

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	Position
Mr. Harsad S. Gandhi	Independent Non Executive	Chairman
Mr. Nishit M. Rupapara	Independent Non Executive	Member
Mrs. Nehal S. Chauhan	Promoter Non Executive	Member

Terms of reference:

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining the qualifications, positive attributes and independence of Director;
- Devising a policy on Board diversity;
- Formulation of Remuneration policy;
- Review the structure, size and composition of the Board;
- Identifying and selection of candidates for appointment as Directors;
- Identifying potential individuals for appointment as Key Managerial Personnel and Senior Management;
- Formulation of criteria for evaluation of Independent Directors and the Board.

Meetings:

During the Year, 1 (one) meeting of the committee was held on 12th February, 2018.

The Board has on the recommendation of Nomination and Remuneration Committee framed a policy on director’s appointment and remuneration of Directors including criteria for determining qualification, positive attributes, independence of directors and remuneration for directors, Key Managerial Personnel and other employees. The policy is annexed to this report as “Annexure-2”.

c. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The details of composition of Stakeholders Relationship Committee are as follows:

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	Position
Mr. Harsad S. Gandhi	Independent Non Executive	Chairman
Mr. Shivkumar R. Chauhan	Promoter and Managing Director	Member
Mr. Parth Shivkumar Chahun	Non Executive	Member

Details of Investor’s grievances/ Complaints:

The Company has not received any complaints during the year. The pending complaints of the Shareholders/Investors registered with SEBI at the end of the current financial year ended on 31st March, 2018 are NIL.

Mr. Shivkumar R. Chauhan is the Compliance Officer of the Company for the above purpose.

Meetings:

The Committee duly met two times on 26.05.2017 & 22.09.2017.

12. AUDITORS:**a. Appointment of Statutory Auditors:**

M/s. B. S. Rajput & Associates., Chartered Accountants, Ahmedabad (Firm Registration No. 119760W) has tendered their resignation to discontinue as the Statutory Auditor of the Company from the financial year 2018 – 2019 and the same has been approved by the board of Director in their meeting held on 14th August, 2018.

Hence, in order to fill up the casual vacancy the Company, the board recommends to appointed M/s. Jigar Shah & Associates, (New Auditor) (FRN: 128263W) subject to the approval of the members, as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013. The Company has received letter from them to the effect that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013 and that they are not disqualified from appointment.

b. Cost Auditor:

As the cost audit is not applicable to the Company, therefore the Company has not appointed the Cost Auditor pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014.

c. Internal Auditor

The Board of Directors has on the recommendation of Audit Committee, and pursuant to the provision of Section 138 of the Companies Act 2013, in their meeting held on 22nd May 2018 has appointed Mr. Rakesh Parihar & Associates, Chartered Accountant, as an Internal Auditor of the Company for the financial year 2017-18.

d. Secretarial Auditor:

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s Khandelwal Devesh & Associates, Company Secretaries had been appointed to issue Secretarial Audit Report for the period ended on 31st March 2018. Secretarial Audit Report issued by M/s Khandelwal Devesh & Associates, Company Secretaries in Form MR-3, attached and marked as **Annexure "2"**, for the period under review, forms part of this report. The said report contains observation or qualification certain observation and qualification which are mentioned here in under.

- Non-appointment of Company Secretary

The Board of Directors of your Company would like to explain on the said observation relating to appointment of Company Secretary that the Board of your company shall appoint company secretary as soon as they find a proper responsible candidate for such post.

-Non compliance of hundred percent of shareholding of promoter(s) and promoter group in Dematerialized form.

The Board noted the fact about the Non-Dematerialisation of only 0.48% of the Promoters' Share holding and accordingly intimated to the concerned Promoters. The Company has received a positive confirmation from the promoters who are holding shares in Physical form, to initiate the process of converting their shares in Demat form.

-Non- Payment of Listing fee

The Board of Directors of the Company would like to inform you that the Company is in process of making payment of pending Listing Fee.

-Non Maintenance of Functional Website of Company

The Board of Directors of the Company would like to inform you that due to inadvertent error, the Company failed to renew its website therefore the website is temporary non-functional and the Company in process to renew the website.

13. ESTABLISHMENT OF VIGIL MECHANISM

The company has in place a vigil mechanism pursuant to which a Whistle Blower Policy is also in vogue. Whistle Blower Policy covering all stakeholders including employees and directors of the company is hosted on companies website <http://www.charmsindustries.in/>.

14. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

15. RISK MANAGEMENT:

The Company does not have any Risk Management Policy or any statement concerning development and implementation of risk management policy of the company as the elements of risk threatening the Company's existence are very minimal.

16. CORPORATE GOVERNANCE:

As per Regulation 15(2) of SEBI (Listing Obligation and Disclosures requirement) Regulation, 2015, Report on Corporate Governance is not applicable on the Company as the Company is not having the paid up share capital exceeding Rs. 10 crores and Net worth is exceeding Rs. 25 crores.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provision of section 135(1) of Companies Act 2013 i.e. Corporate Social Responsibility is not applicable on the company. Therefore the company has not constituted CSR committee.

18. STATEMENT OF FORMAL ANNUAL EVALUATION

Nomination and Remuneration Committee annually evaluates the performance of individual Directors, Committees, and of the Board as a whole in accordance with the formal system adopted by it. Further, the Board also regularly in their meetings held for various purposes evaluates the performance of all the Directors, committees and the Board as a whole. The Board considers the recommendation made by Nomination and Remuneration Committee in regard to the evaluation of board members and also tries to discharge its duties more effectively. Each Board member's contribution, their participation was evaluated and the domain knowledge they bring. They also evaluated the manner in which the information flows between the Board and the Management and the manner in which the board papers and other documents are prepared and furnished.

19. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope of the Internal Audit function is defined in the Internal Audit Manual. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. The Internal Audit also includes both physical as well as online transaction audit. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

20. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report as required under the Listing Agreement with stock exchanges is annexed as a separate **Annexure "3"** forming part of this Report.

21. LISTING

The Equity Shares of the Company are listed on Bombay Stock Exchange. The company yet to pay annual listing fees to the Stock Exchange for the year 2018-19, further the Company is regular in compliances of various clauses and regulations of the Listing Agreement and/or LODR.

22. PARTICULARS REGARDING EMPLOYEES:

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Report and marked as **Annexure-"4"**. No employee of the Company of the Company was in receipt of the remuneration exceeding the limits prescribed in the rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

23. DEPOSITS

During the year under review, the Company has not accepted or renewed any deposits within the meaning of Section 73 and 76 of the Companies Act 2013 read with the Companies (Acceptance deposits Rules), 2014. There was no deposit which remained unclaimed and unpaid at the end of the year.

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES PURSUANT TO SECTION 188(1) OF THE COMPANIES ACT, 2013:

There were no contracts or arrangements or transactions with any related parties which could be considered material in accordance with the policy of the Company during the year under review. Hence, the Company is not required to disclose details of the related party transactions in Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The company has given loans covered under the provisions of section 186 of the Companies Act, 2013 during the financial period under review (Please Refer note no.7 of the financial statements).

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a. **Conservation Of Energy:**
 - i. the steps taken or impact on conservation of energy : **Nil**
 - ii. the steps taken by the company for utilizing alternate sources of energy : **None**
 - iii. the capital investment on energy conservation equipments : **Nil**
- b. **Technology Absorption:**
 - i. the efforts made towards technology absorption : **None**
 - ii. the benefits derived like product improvement, cost reduction, product development or import substitution : **None**
 - iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- a) the details of technology imported : **None**
- b) the year of import : **N.A.**
- c) whether the technology been fully absorbed : **N.A.**
- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : **N.A.**

iv. the expenditure incurred on Research and Development : **Nil**

c. FOREIGN EXCHANGE EARNING & OUTGO :

- i) Foreign Exchange Earning: **NIL**
- ii) Foreign Exchange Outgo : **NIL**

27. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

28. GENERAL:.

- a. Your Company has not issued any equity shares with differential rights as to dividend, voting or otherwise; and
- b. Your Company does not have any ESOP scheme for its employees/Directors.

29. ACKNOWLEDGEMENT

Your Directors place on record the valuable co-operation and assistance extended by Reserve Bank of India, Western Union Financial services Inc., Government Authorities, Bankers, lending Institutions, suppliers and Customers during the year under review. Your Directors also place on record their appreciation for the committed services of the executives and staff of the Company.

**For and on behalf of the Board
Sd/-**

**Harsad Shantilal Gandhi
Chairman & Director
(DIN: 01056779)**

**Place: Ahmedabad
Date: 14th August, 2018**

"Annexure-1"

Form No. MGT-9**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31/03/2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN:	L72900GJ1992PLC017494
2.	Registration Date	24/04/1992
3.	Name Of The Company	CHARMS INDUSTRIES LIMITED
4.	Category / Sub-Category Of The Company	Public limited/ Limited by shares
5.	Address Of The Registered Office And Contact Details	108-B/109 Sampada Buildingmithakhali Six Roads, Opp-Hare Krishna Complex, B/H Kiran Motors, Ahmedabad- 380009, Gujarat
6.	Whether Listed Company	Yes
7.	Name, Address And Contact Details Of Registrar And Transfer Agent, If Any	Bigshare Services Private Limited A-802 Samudra Complex, Near Klassic Gold Hotel Off C G Road Navrangpura, Ahmedabad- 380 009 Email: bssahd@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities Contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Full Fledge Money Changer	64990	99.76%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of share held	Applicable section
NIL					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2017)				No. of Shares held at the end of the year (31/03/2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	996840	4840	1001680	24.39	996225	4840	1001065	24.38	-0.01
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	-	-	-	-					
e) Banks / FI									
f) Any other...									
Sub-total (A) (1):-	996840	4840	1001680	24.39	996225	4840	1001065	24.38	-0.01
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	996840	4840	1001680	24.39	996225	4840	1001065	24.38	-0.01
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-					-
b) Banks/FI	-	-	-	-					-
C) Central Govt.	-	-	-	-					-
d) State Govt.(s)	-	-	-	-					-
e) Venture Capital Fund	-	-	-	-					-

f) Insurance Companies	-	-	-	-					-
g) FIIS	-	-	-	-					-
h) Foreign Venture Capital Funds	-	-	-	-					-
i) Others (specify)	-	-	-	-					-
Sub-total (B)(1):-	-	-	-	-					-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	58004	15900	73904	1.80	82293	15900	98193	2.39	0.59
ii) Overseas	-	-	-	-					
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1039314	619400	1658714	40.40	1034650	618900	1653550	40.27	(0.13)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1049237	204100	1253337	30.52	1034868	204100	1238968	30.17	(0.35)
c) Others (specify)									
i) Non Resident Repatriates	63	70000	70063	1.71	63	70000	70063	1.71	-
ii) Non Resident Non Repatriates	223	-	223	0.01	223	-	223	0.01	-
iii) Clearing Members	48179	-	48179	1.17	44038		44038	1.07	(0.10)
Sub-total (B)(2):-	2195020	909400	3104420	75.61	2196135	909400	3095035	75.38	(0.01)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2195020	909400	3104420	75.61	2196135	909400	3095035	75.38	(0.01)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3191860	914240	4106100	100	3192360	913740	4106100	100	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares Of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Shivkumar R. Chauhan	968540	23.59	-	968540	23.59	-	-
2	Nehal S. Chauhan	33140	0.81	-	32525	0.79	-	-0.02
	Total	1001680	24.40	-	1001065	24.38	-	-0.02

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each Of the Promoters'				
	1. Shivkumar R. Chauhan				
	At the beginning of the year	968540	23.59	968540	23.59
	No changes during the year	-	-	-	-
	At the end of the Year	968540	23.59	968540	23.59
	2. Nehal S. Chauhan				
	At the beginning of the year	33140	0.08	33140	0.08
	Decrease as on 26.05.2017	1	-	33139	0.08
	Decrease as on 22.09.2017	614	-	32525	0.08
	At the end of the Year	32525	0.08	32525	0.08

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Babulal Jain				
	At the beginning of the year	108295	2.64	108295	2.64
	No changes during the year	-	-	-	-
	At the end of the Year	108295	2.64	108295	2.64
2	Reema Bhavin Shah				
	At the beginning of the year	97265	2.37	97265	2.37
	No changes during the year	-	-	-	-
	At the end of the Year	97265	2.37	97265	2.37
3.	Rajendra Dhirajlal Gandhi				
	At the beginning of the year	61000	1.49	61000	1.49
	No changes during the year	-	-	-	-
	At the end of the Year	61000	1.49	61000	1.49
4.	Paresh Papatlal Joshi				
	At the beginning of the year	50000	1.22	50000	1.22
	No changes during the year	-	-	-	-
	At the end of the Year	50000	1.22	50000	1.22
5.	Bina Shah Fleck				
	At the beginning of the year	50000	1.22	50000	1.22
	No changes during the year	-	-	-	-
	At the end of the Year	50000	1.22	50000	1.22
6.	Laxmipat Dudheria				
	At the beginning of the year	48307	1.18	48307	1.18
	No changes during the year	-	-	-	-
	At the end of the Year	48307	1.18	48307	1.18
7.	Vipul Rajendrabhai Gandhi				
	At the beginning of the year	40000	0.97	40000	0.97
	Increase as on 16.06.2017	5000	0.12	45000	1.10
	At the end of the Year	45000	1.10	45000	1.10
8.	Shah Nikesh Muktilal				
	At the beginning of the year	42000	1.02	42000	1.02
	Decrease as on 30.08.2017	42000	1.02	-	-
	At the end of the Year	-	-	-	-

9.	Amrapali Aadya Trading & Investment Pvt. Ltd.				
	At the beginning of the year	40736	0.99	40736	0.99
	No changes during the year	-	-	-	-
	At the end of the Year	40736	0.99	40736	0.99
10.	Pratik Rajendra Gandhi				
	At the beginning of the year	40000	0.97	40000	0.97
	No changes during the year	-	-	-	-
	At the end of the Year	40000	0.97	40000	0.97

(v) Shareholding of Directors and Key Managerial Personnel:

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
1.	Shivkumar R. Chauhan				
	At the beginning of the year	968540	23.59	968540	23.59
	No changes during the year	-	-	-	-
	At the end of the Year	968540	23.59	968540	23.59
2.	Nehal S. Chauhan				
	At the beginning of the year	33140	0.08	33140	0.08
	Decrease as on 26.05.2017	1	-	33139	0.08
	Decrease as on 22.09.2017	614	-	32525	0.08
	At the end of the Year	32525	0.08	32525	0.08
3.	Harsad Shantilal Gandhi				
	At the beginning of the year	0	0	0	0
	No Changes during the year	0	0	0	0
	At the end of the Year	0	0	0	0
4.	Nishit M. Rupapara				
	At the beginning of the year	0	0	0	0
	No Changes during the year	0	0	0	0
	At the end of the Year	0	0	0	0
6	Parth Shivkumar Chauhan*				
	At the beginning of the year	0	0	0	0

	No Changes during the year	0	0	0	0
	At the end of the Year	0	0	0	0
7	Biren J. Thaker				
	At the beginning of the year	0	0	0	0
	No Changes during the year	0	0	0	0
	At the end of the Year	0	0	0	0

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount	-	-	-	-	-
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	-	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-	-
* Addition	-	-	-	-	-
* Reduction	-	-	-	-	-
Net Change	-	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-	-
i) Principal Amount	-	-	-	-	-
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	-	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Shivkumar R. Chauhan	
1.	Gross salary	300000	300000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961		

	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	-	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		Nil
2.	Stock Option	-	Nil
3.	Sweat Equity	-	Nil
4.	Commission - as % of profit - Others, specify...	- -	Nil
5.	Others, please specify	-	Nil
	Total (A)	300000	300000
	Ceiling as per the Act	60,00,000	60,00,000

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Harsad S. Gandhi	Mr. Parth Shivkumar Chauhan#	Mr. Nishit M. Rupapara	Mrs. Nehal S. Chauhan	
1.	Independent Directors	√		√		
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2.	Other Non-Executive Directors		√		√	
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-

Total Managerial Remuneration	-	-	-	-	-
Overall Ceiling as per the Act	Rs.100000/- per meeting	Rs.100000/- per meeting	Rs.100000/- per meeting	Rs.100000/- per meeting	per meeting

C. Remuneration to Key Managerial Personnel Other than MD/ Manager/ WTD:

Sl. no.	Particulars of Remuneration	Key Managerial Personnel
		Biren Jagdishkumar Thaker (CFO)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - Others, specify...	-
5.	Others, please specify	
	Total	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made, if any (give details)
A.COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B.DIRECTORS					
Penalty					
Punishment					
Compounding					
C.OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board
Sd/-
Harsad Shantilal Gandhi
Chairman & Director
(DIN: 01056779)

Place: Ahmedabad
Date: 14th August, 2018

“Annexure-2”

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended on 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
CHARMS INDUSTRIES LIMITED,
(CIN:- L72900GJ1992PLC017494)
108-B/109, Sampada Building,
B/h. A. K. Patel House, Mithakali Six Roads,
Navrangpura, Ahmedabad-380009

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CHARMS INDUSTRIES LIMITED (CIN:- L72900GJ1992PLC017494)(hereinafter called “the company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 (‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i)The Companies Act, 2013 (the Act) and the Rules made there under.
- (ii)The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
- (iii)The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- (iv)Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- (v)The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a)The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2011;
 - (b)The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (c)The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the company during the audit period) ;
 - (d)The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable to the company during the audit period) ;
 - (e)The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the company during the audit period);

- (f)The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client ;
- (g)The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the company during the audit period);
- (h)The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the company during the audit period);
- (vii)I have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances the Rules, regulations and guidelines issued by the Reserve Bank of India to the Full Fledge Money Changer Companies (FFMC)which are specifically applicable to the Company;

I have also examined compliance with the applicable Clauses of the following:

- i.Secretarial Standards issued by The Institute of Company Secretaries of India;
- iii.Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and subject to the following observations;

a)As per Section 203 of Companies Act, 2013 read with rule 8 of the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 , the Company has not appointed Company Secretary during the audit period.

b)Non-compliance of regulations of 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. hundred percent of shareholding of promoter(s) and promoter group should be in Dematerialized form.

c)Non-Compliance of regulation 14 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 i.e. every Listed Company shall pay Listing fee as applicable to the recognized stock exchange, in the manner as specified by SEBI or the recognized stock exchange.

d)Non-Compliance of the regulation 46(1)and 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which stipulates that a listed entity shall maintain a functional website containing the basis information about listed entity, however the Company does not maintain its website.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board take decision by majority of directors while the dissenting directors' views are captured and recorded as part of the minutes.

I further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and guidelines.

I further report that:

During the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of Shares/debentures/sweat equity.
- (ii) Redemption/buy-back of securities.
- (iii) Merger/ amalgamation/ reconstruction etc.
- (iv) Foreign technical collaborations.

**For, Khandelwal Devesh and Associates,
Company secretaries,**

**Devesh Khandelwal
Proprietor
ACS: 6897,
COP No.:4202**

Place: Ahmedabad

Date: 14/08/2018

Note: This report is to be read with our letter of even date which is annexed as Annexure herewith and forms and integral part of this report.

Annexure to Secretarial Audit Report

To,
The Members,
CHARMS INDUSTRIES LIMITED,
(CIN:- L72900GJ1992PLC017494)
108-B/109, Sampada Building,
B/h. A. K. Patel House, Mithakali Six Roads,
Navrangpura, Ahmedabad-380009

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representations about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, Khandelwal Devesh and Associates,
Company secretaries,

CS Devesh Khandelwal
Proprietor
ACS: 6897,
COP No.:4202

Place: Ahmedabad
Date: 14/08/2018

“Annexure-3”

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

GENERAL ECONOMY OUTLOOK

World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favourable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve. In the current financial year as global economic activity continues to strengthen, global growth is forecast to grow by 3.9% during 2018 as per the International Monetary Fund's (IMF) January 2018 World Economic Outlook. The IMF expects India to grow at 7.4% during 2018 which could increase further to 7.8% during 2019 in contrast to 6.7% during 2017. The indicative GDP growth is expected to touch 7% to 7.2% into 2018-19 as against 6.6% in 2017-18. In the Union Budget of 2018-19, the Central Government's major thrust is on the development & up liftment of rural economy and agricultural sector by strengthening and improving the Infrastructure of the Country. These initiatives will help increase the creation of more employment and thereby invigorating the entire economy of the Country.

COMPANY BUSINESS

The Company is a leading RBI registered Authorized Dealer Category-II for money changing business. In money changing, the Company provides an array of products and services including buying and selling of foreign currency notes, servicing of co-branded international prepaid multicurrency travel cards, issuance of foreign currency demand drafts, travellers' cheques and outward telegraphic remittances, including outbound remittances towards student fees, film shoots, tour remittances etc. and also extends encashments of foreign currency demand drafts, travellers' cheques and forex prepaid cards. The Company's strength is its wide network developed over the years, its brand image and number of allied products

OUTLOOK, OPPORTUNITIES AND THREATS

World Travel & Tourism Economic Report 2018 predicts an average annual growth of 3.8% over the next decade. This report gives good prospects for the Travel Industry which currently contributes 10.4 % of the annual global GDP and supports 9.9% of the Global employment. The direct contribution of Travel & Tourism to GDP was USD 2,570.1bn (3.2% of total GDP) in 2017, and is forecast to rise by 4.0% in 2018.

As per World Bank Reports, the spending by outbound travelling Indians is about 20.5 billion USD in 2016 and is expected to grow by 7% annually. Forex card market has been 25% of this spending. The number of outbound travellers from India is around 22 million as per Directorate General of Civil Aviation (DGCA) and UN World Tourism Organisation (UNWTO), This is expected to grow by 10% annually. The average spending by an Indian abroad happens to be around 1200 USD as per UNWTO.

In Students Remittance Business, according to the Reserve Bank of India the market was about 1.3 billion USD in 2016. This has grown to 1.75 billion USD in 2017. A growth of around 34.6%. CRISIL, a reputed Indian Rating Agency, predicts a faster growth in this segment than other remittances. Number of students travelling abroad for studies stands at 420,583 in 2017 according to World Bank and it is expected to grow by 15% annually.

In Tour Remittances, the size in 2016 was 2.2 billion USD and it is 3.4 billion USD in 2017 a growth of 54%. CRISIL, a reputed Indian Rating Agency, predicts a faster growth in this segment than other remittances. The number of outbound travellers from India is around 22 million as per Directorate General of Civil Aviation (DGCA) and UN World Tourism Organisation (UNWTO), This is expected to grow by 10% annually.

The Government of India's initiatives in boosting up its public expenditure on Infrastructure development will give an impetus to its “MAKE IN INDIA policy. India is being the most sought after Investment destination for many Investors world over. Hence, this augurs well for the Company business as there will be inflow of Capital Investment giving a boost to Company's Money changing business.

In money transfer, as per World Bank report released in April 2018, India retained the top position as recipient of remittances with its diaspora sending about USD 69 billion back home in 2017. India was followed by China (USD 64 billion), the Philippines (USD 33 billion), Mexico (USD 31 billion), Nigeria (USD 22 billion), and Egypt (USD 20 billion).

Reversing previous year's sharp decline (8.9 per cent in 2016), Remittances to India picked up sharply by 9.9% to \$69 billion in 2017, reversing the previous year's dip, but were still short of \$70.4 billion received in 2014. Payments from immigrants back to their home countries rebounded to reach a new record in 2017.

The upsurge is likely to continue into 2018 on the back of

stronger economic conditions in advanced economies (particularly the US) and an increase in oil prices which is beneficial to Gulf Cooperation Council countries. 2017-18 witnessed consolidation of money transfer business in India with few peer competitors selling their money transfer business to an Indian arm of overseas entity and hence in money transfer business the challenges are expected to be different than what was hitherto witnessed in the last two years.

Further, the comparative slower growth globally as compared to Asian Countries coupled with the challenges faced through the advancement of the world digital economy and India too encouraging digitization, the Company's management though expects new challenges, it does not foresee any immediate threat to its core business activities and in fact its efforts are being channelized to seize the newer methodologies to counter the challenges faced.

RISKS AND CONCERNS

Company has laid down a detailed risk management policy, customer identification and acceptance procedure. Credit procedure envisaged by the Company's credit policy ensures identification of the operational and business risk while entering into any transactions with the prospective customers. The financial risks involved are evaluated through a well laid down procedure. However, all the inherent business risks are adequately insured by the Company. Exchange rate volatility faced is not only faced by the Company but is attuned to the forex industry globally. To mitigate the said risks Company closely monitors the exchange rate movement and hedges its liability on this account in the Forwards Forex market. The inward remittances due to the Company in its Money Transfer business acts a natural hedge for its Money Exchange business.

INTERNAL CONTROL SYSTEM

The Company has already put in place an elaborate Internal Control and Internal Audit systems. The system ensures adequate periodical checks and balances are exercised. Continuous monitoring by the Internal Audit team of these checks and balances due to the inherent risks associated with the nature of Company's activities, ensures compliance of the regulatory framework of RBI & FIU. The Audit team is suitably guided and updated by the Audit Committee of the various regulatory requirements from time to time. The Company has put in place a strict credit policy for extending credit to its corporate customers. The same is continuously monitored and reviewed periodically for any updations to ensure funds at Company's disposal are being judiciously utilised and efficiently managed vis-à-vis the business requirements. The Management Discussion and Analysis explaining the objectives of the Company, the opportunities and threats, the outlook for the future, the risks and concerns have to be read with the meaning of relevant applicable laws and regulations. The actual

above. As in any other business the performance of the Company is totally dependent on the market conditions of demand and supply, the volatility in exchange rate, the Government policy & regulations, the economy of the country and other factors.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

Your Company being part of the sector, human resources has always been the main pillar for all the activities of the Company. Customer Satisfaction being the ultimate objective of the Company, to ensure sustained business growth. Company's focus has been to improve the staff's contribution towards the various services offered. To achieve this objective Company has ensured that all its employees receive continuous update on the Company's policies as well as the regulatory framework.

“Annexure-4”

Disclosures Regarding Remuneration Required Under Section 197(12) Of The Companies Act, 2013 Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Disclosure	
I.	The ratio of remuneration to each director to the median remuneration of the employees for the financial year	MD	3.09 times
II.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	MD	N.A.
III.	The percentage increase in the median remuneration of employees in the financial year	No Increase	
IV.	The number of permanent employees on the rolls of the Company as on 31 st March, 2018	3	
V.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	No Increase	
VI.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed	

For and on behalf of the Board
Sd/-
Harsad Shantilal Gandhi
Chairman & Director
(DIN: 01056779)

Place: Ahmedabad
Date: 14th August, 2018

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
CHARMS INDUSTRIES LIMITED**

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of CHARMS INDUSTRIES LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the India Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncement issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) In the case of the Statement of Profit and Loss (comprising of other comprehensive income), of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date and
- d) Changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraph 3 and 4 of the Order.

10. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) In our opinion, the Company has, in all material respects, an adequate internal financial controls, system over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company and our separate Report in Annexure A.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As informed to us, the Company does not have any pending litigations which would impact its financial positions;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Ahmedabad

Date: 25/05/2018

**B. S. Rajput & Associates
Chartered Accountants
(Firm Reg. No. 119760W)**

**Partner
(M. No. 106729)**

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of CHARMS INDUSTRIES LIMITED on the Standalone Ind AS financial statements for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of CHARMS INDUSTRIES LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or

timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting, were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Ahmedabad

Date: 25/05/2018

**B. S. Rajput & Associates
Chartered Accountants
(Firm Reg. No. 119760W)**

**Partner
(M. No. 106729)**

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of CHARMS INDUSTRIES LIMITED on the financial statements for the year ended March 31, 2018

(i) In respect of its Fixed Assets:

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The immovable property held by the Company is on lease rental basis, hence para 3(ii) of the Order is not applicable to the Company.

(ii) In respect of its Inventory:

According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification during the year.

(iii)

(a) The company has not granted unsecured loan to a wholly owned subsidiary company covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanation given to us, the terms and conditions of the loans are not prejudicial to the Company's interest, having regard to managements representation that the loans are given to such parties considering the company's economic interest and long term trade relationship with such parties.

(b) In respect of loans granted to parties covered in the register maintained under section 189 of the Companies Act, 2013, the loans are repayable on demand and are interest free. Management has not demanded repayment of loan. Accordingly, there has been no default on the part of the parties to whom the money has been lent.

(iv) According to information and explanations given to us, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Sec.185 and 186 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

(v) According to information and explanations given to us the Company has not accepted any deposits during the year.

(vi) According to the information and explanations given to us, the Central Govt. has not prescribed maintenance of cost records under sub-section (1) of Sec.148 of the Companies Act, 2013 for any of the products of the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

(b) There are no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues in arrears as at March 31, 2018 for period of more than six months from the day they became payable.

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, banks or government.

Further, the Company does not have any debentures issued/outstanding any time during the year.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V of the companies act.

(xii) This clause of the CARO, 2016 is not applicable to the Company as the Company is not a Nidhi Company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made preferential allotment of shares.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of the Companies Act, 2013 have been complied with;

(xvi) This clause of the CARO, 2016 is not applicable to the Company as the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Ahmedabad

Date: 25/05/2018

**B. S. Rajput & Associates
Chartered Accountants
(Firm Reg. No. 119760W)**

**Partner
(M. No. 106729)**

Auditor's Compliance Certificate on Corporate Governance

**To,
The Members of Charms Industries Ltd.**

We have examined the compliance of conditions of Corporate Governance by Charms Industries Ltd. for the year ended March 31, 2018 stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

The compliance of conditions Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the condition of Corporate Governance. It is neither an audit nor an expression on the financial statements of the Company.

In our Opinion and to the best of our information and according to the explanations given to us, we certify that the Company has fully complied with all the mandatory conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

Place: Ahmedabad

Date: 25/05/2018

**B. S. Rajput & Associates
Chartered Accountants
(Firm Reg. No. 119760W)**

**Partner
(M. No. 106729)**

CHARMS INDUSTRIES LIMITED					
Balance Sheet as at 31 March, 2018					
	Particulars	Not e No	As at 31st March,2018	As at 31st March,2017	As at 1st April ,2016
	<u>ASSETS</u>				
1	Non-current assets				
	(a) Property, Plant & machinery	2	6,45,604	7,77,287	70,82,929
	(b) Capital work-in-progress				
	(c) Intangible Assets				
	(d) Financial Assets				
	i) Investment	3	40,93,000	40,93,000	46,43,000
	ii) Other Financial Assets		-	-	-
	(e) Other non-current assets		-	-	-
	Total Non-Current Assets		47,38,604	48,70,287	1,17,25,929
2	Current assets				
	(a) Inventories	4	2,500	57,100	3,42,424
	(b) Financial Assets				
	(i) Investments				
	(ii) Trade receivables		-	-	1,47,029
	(ii) Cash and cash equivalents	5	45,773	4,62,373	2,52,950
	(iii) Bank Balance other than (ii) above	6	35,00,335	51,41,661	52,70,434
	(c) Other current assets	7	22,99,040	4,49,772	2,49,849
	Total Current Assets		58,47,648	61,10,906	62,62,686
	TOTAL ASSETS		1,05,86,252	1,09,81,193	1,79,88,615
	<u>EQUITY AND LIABILITIES</u>				
	EQUITY				
	(a) Equity Share Capital	8	4,10,61,000	4,10,61,000	4,10,61,000
	(b) Other Equity	9	(3,16,25,117)	(3,09,94,571)	(2,36,07,434)
	Total equity attributable to owners of the company		94,35,883	1,00,66,429	1,74,53,566

LIABILITIES				
(1) Non- current liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings				
(b) Provisions				
(c) Deferred Tax Liability(Net)				
Total Non-Current Liabilities		-	-	-
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		-	-	
(ii) Trade payables	10	11,50,369	9,14,764	5,35,049
(iii) Other Financial Liabilities				
(b) Other Current Liabilities		-	-	-
(c) Provisions		-	-	-
(d) Liabilities for current tax		-	-	-
Total Current Liabilities		11,50,369	9,14,764	5,35,049
TOTAL EQUITY & LIABILITIES		1,05,86,252	1,09,81,193	1,79,88,615
The accompanying notes form an integral part of the financial statements		-	-	-
In terms of our report attached.				

For, B S Rajput & Associates
Chartered Accountants
FRN : 119760W

(Bhupendra Singh Rajput)

Partner
Mem . No. : 106729
Date : 25.05.2018
Place : AHMEDABAD

For and on behalf of the Board of Directors

Biren J. Thaker Shivkumar Chauhan Harshad Gandhi

Chief Financial Officer Managing Director Director

DIN:00841729 DIN:01056779
Date: 25.05.2018
Place: AHMEDABAD

CHARMS INDUSTRIES LIMITED						
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018						
	PARTICULARS	Note No.	As at 31/03/18		As at 31/03/17	
			Rs.	Rs.	Rs.	Rs.
I	Revenue from operations:	11				
	Sale of Products		4,06,18,448	-	3,02,60,628	
	Sale of Services			-	-	
	Other Operating Revenues				-	
	Less: Excise Duty		-		-	
				4,06,18,448		3,02,60,628
	Increase in Inventory		-	-	-	-
II	Other Income	12		97,784		1,24,352
III	Total Revenue (I + II)			4,07,16,232		3,03,84,980
IV	Expenses					
	Cost of Materials Consumed		-			
	Purchases of Stock in Trade		4,01,52,924		2,97,68,498	
	Changes in inventories of finished goods, work in progress and Stock-in-trade	13	54,600		2,85,324	
	Employee benefits expense	14	4,93,600		6,83,550	
	Finance Costs		-		-	
	Depreciation and amortization expense	2	1,31,685		16,024	
	Other expense	15	5,13,969		6,89,103	
	Total Expense			4,13,46,778		3,14,42,499
V	Profit before exceptional and extraordinary items and tax (III-IV)			(6,30,546)		(10,57,519)
VI	Exceptional Items- Depreciation adjustments			-		63,29,618
VII.	Profit before extraordinary items and tax (V-VI)			(6,30,546)		(73,87,137)
VIII	Extraordinary items			-		
IX	Profit before tax (VII-VIII)			(6,30,546)		(73,87,137)
X	Tax expense:					
	(1) Current tax		-		-	

	(2) Deferred tax		-			
XI	Profit/(Loss) for the period from continuing operations (IX - X)			(6,30,546)		(73,87,137)
XII	Profit/(Loss) for the period from discontinuing operations			-		-
XIII	Tax expense of discontinuing operations			-		-
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)			-		-
XV	Profit/(Loss) for the period (XI + XIV)			(6,30,546)		(73,87,137)
XVI	Earnings per equity share:					
	(1) Basic			-0.15		-1.80
	(2) Diluted			-0.15		-1.80
	The accompanying notes form an integral part of the financial statements					
In terms of our report attached.						

For, B S Rajput & Associates
Chartered Accountants
FRN : 119760W

For and on behalf of the Board of Directors

Biren J. Thaker Shivkumar Chauhan Harshad S
Gandhi

(Bhupendra Singh Rajput)

Chief Financial Managing Director Director
Officer

Partner
Mem . No. : 106729
Date : 25.05.2018
Place : AHMEDABAD

DIN:008417299 DIN:01056779
Date : 25.05.2018
Place : AHMEDABAD

CASH FLOW STATEMENT
of Charms industries Limited for the year ended 31st March, 2018

Particulars	31.03.2018		31.03.2017	
	Rs.	Rs.	Rs.	Rs.
<u>Cash Flow From Operating Activity</u>				
Net Profit Before Tax		(6,30,546)		(73,87,137)
<u>Add:-</u>				
Provision for Taxation made during the Current Year	-		-	
Any Extra Ordinary Expenses, debited to Profit and Loss Account	-		-	
<u>Less:-</u>				
Refund of Tax	-		-	
Any Extra Ordinary Income, credited to Profit and Loss Account	-	-	-	-
<u>Add:- Non operating Expenses</u>				
Depreciation on Fixed Assets	1,31,685		16,024	
Adjustemnt on account of change in depreciation of useful life	-		63,29,618	
<u>Less:</u>				
Dividend and Interest Received	-		-	
Rental Income	-	1,31,685	-	63,45,642
Operating Profit before charging Working Capital ...		(4,98,861)		(10,41,495)
Add: Decrease in Current Assets	-		-	
Less: Increase in Current Assets (Except Cash Balance)	(17,94,670)		2,32,430	
Less: Decrease in Current Liabilities	-		-	
Add: Increase in Current Liabilities	2,35,605	(15,59,065)	3,79,715	6,12,145
Operating Profit after Charging Working Capital ...		(20,57,926)		(4,29,350)
Less: Income Tax paid (Net of Tax Refund received)		-		-
Operating Profit before charging Extra Ordinary Items ...		(20,57,926)		(4,29,350)
Add / Less: Extra Ordinary Items		-		-
Net Operating Activities / Net Cash Flow from Operating Activities / Profit from Operation (A)		(20,57,926)		(4,29,350)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>				
Less: Purchase of Fixed Assets including Intangible Assets	-		(40,000)	
Add: Sale of Fixed Assets				

	-		-	
Add :- Decrease in other non current assets	-		-	
Add :- Decrease in Non Current Investments	-		5,50,000	
Less: Increase in Long term loan and advances	-		-	
Cash from Investing Activities (B)		-		5,10,000
CASH FLOW FROM FINANCING ACTIVITIES:				
Add: Proceeds from Issue of Share or Debenture	-		-	
Add: Proceeds from Long-term Borrowing	-		-	
Less: Repayment of Long-term Borrowing	-		-	
Add: Increase in Deferred Tax Liabilities	-		-	
Cash from Financing Activities (C)		-		-
A + B + C		(20,57,926)		80,650
Add:-Opening Cash and Cash Equilants				
Add: Cash in hand	56,04,034		55,23,384	
		35,46,108		56,04,034
Closing Cash and Cash Equivalents				
Add: Cash in hand	35,46,108		56,04,034	
		35,46,108		56,04,034
Note : Figures in brakets indicate negative figures.				
The previous year's figures have been regrouped and reclassified wherever necessary.				
In terms of our report of even date				

For, B S Rajput & Associates
Chartered Accountants
FRN : 119760W

(Bhupendra Singh Rajput)

Partner
Mem . No. : 106729

Date : 25.05.2018
Place : AHMEDABAD

For and on behalf of the Board of Directors

Biren J. Thaker Shivkumar Harshad
RChauhan SGandhi

Chief Financial Managing Director Director
Officer

DIN:00841729

DIN:01056779

Date : 25.05.2018
Place:AHMEDABAD

Notes to Accounts

Note: '1'

Statement of Changes in Equity for the year ended 31 st March,2018					
Particulars	Attributable to the equity holders of the company				
	Reserves and Surplus			Total	
	Equity Capital	Share	Net Surplus in Statement of P&L		General Reserve
Balance as at 1st April 2016	4,10,61,000		(2,67,53,963)	31,46,529	1,74,53,566
Profit for the year		-	(73,87,137)	-	(73,87,137)
Add/(Less): Other comprehensive Income		-	-	-	-
Balance as at 31st March,2017	4,10,61,000		(3,41,41,100)	31,46,529	1,00,66,429
Profit for the year		-	(6,30,546)	-	(6,30,546)
Add/(Less): Other comprehensive Income		-	-	-	-
Balance as at 31st March,2018	4,10,61,000		(3,47,71,646)	31,46,529	94,35,883
Note : Figures in brackets indicate negative figures.					
The previous year's figures have been regrouped and reclassified wherever necessary.					
In terms of our report of even date					

Note:'2'

Schedules annexed and forming part of the Balance Sheet as on 31-03-2018											
NOTES "2" Property, Plant & machinery (Amount Rs.)											
S R. N O	DESCR I P T I O N O F A S S E T S	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01/04 /2017	Addi tion Duri ng the Year	Dedu ction Duri ng the Year	As on 31/03 /2018	As on 01/04 /2017	Deprec iation for the Year	Deduction/A dditiondue to adjustemnt During the Year	As on 31/03 /2018	As on 31/03 /2018	As on 31/03 /2017
1	Office Buildin g	9,99,0 76	-	-	9,99,0 76	7,14,9 43	26,993	-	7,41,9 36	2,57,1 41	2,84,1 33
2	Office Partitio n	12,34 0	-	-	12,34 0	12,34 0	-	-	12,34 0	0	-
3	Furnitu re & Fixture s	9,39,6 41	-	-	9,39,6 41	9,16,6 13	4,168	-	9,20,7 81	18,86 1	23,02 8
4	Compu ter	24,59, 436	-	-	24,59, 436	24,35, 230	15,289	-	24,50, 519	8,918	24,20 6
5	Physica l	70,00,	-	-	70,00,	66,50,	63,350	-	67,13,	2,86,6	3,50,0

	Health Record ers	000			000	000			350	51	00
6	Air Conditioner	90,847	-	-	90,847	88,992	336	-	89,328	1,519	1,855
7	Office Equipment	7,950	-	-	7,950	7,950	-	-	7,950	-	-
8	Vehicle	19,20,791	-	-	19,20,791	18,62,726	15,033	-	18,77,759	43,032	58,065
9	Television	40,000	-	-	40,000	4,000	6,516	-	10,516	29,484	36,000
	Total	1,34,70,081	-	-	1,34,70,081	1,26,92,794	1,31,685	-	1,28,24,477	6,45,604	7,77,287
	Previous Year	1,34,30,081	40,000	-	1,34,70,081	63,47,152	16,024	63,29,618	1,26,92,794	7,77,287	70,82,929

Particulars	As at 31/03/2018		As at 31/03/2017	
	Rupees	Rupees	Rupees	Rupees
NOTE `3'				
NON-CURRENT INVESTMENTS				
Investment (Long term) with Mutual Funds		7,90,000		7,90,000
In-House Property		33,03,000		33,03,000
Total Non- Current Investment		40,93,000		40,93,000
NOTE `4'				
INVENTORIES				
Stock of Foreign Currency		2,500		57,100
TOTAL		2,500		57,100
NOTE `5'				
CASH AND CASH EQUIVALENTS				
Cash on Hand		45,773		4,62,373
TOTAL		45,773		4,62,373
NOTE `6'				
BANK BALANCE				
Balance with Nationalized Banks				
-In Current Accounts		35,00,335		51,41,661
		35,00,335		51,41,661

NOTE `7'				
OTHER CURRENT ASSETS				
Advances recoverable in cash all kind(TDS)		2,023		2,023
Loans to Companies & others		22,97,017		4,47,749
TOTAL		22,99,040		4,49,772
NOTE `8'				
EQUITY SHARE CAPITAL				
-Authorised				
45,00,000 Equity Shares of Rs. 10/- each	4,50,00,000			4,50,00,000
[Previous Year : 45,00,000 Equity Shares of Rs.10/- each]				
-Issued, Subscribed and Paid up				
41,06,100 Equity Shares of Rs.10/- each fully paid-up.	4,10,61,000			4,10,61,000
[Previous Year : 41,06,100 Equity Shares of Rs.10/- each]				
TOTAL	4,10,61,000			4,10,61,000
- Reconciliation of Shares:	Nos	Amt(Rs)	Nos	Amt(Rs)
Opening Share Capital	41,06,100	4,10,61,000	41,06,100	4,10,61,000
Add: Shares issued During the year	-	-	-	-
Add: Rights/Bonus Shares Issued	-	-	-	-
Total	41,06,100	4,10,61,000	41,06,100	4,10,61,000
Less: Buy back of Shares	-	-	-	-
Less Reduction in Capital	-	-	-	-
Closing Share Capital	41,06,100	4,10,61,000	41,06,100	4,10,61,000
-List of Share holders having 5% or more Shares (In Nos)				
Name Of Shareholders	In Nos	In %	In Nos	In %
1. Shivkumar R Chauhan	9,68,540	24	8,28,540	20
NOTE `9'				
OTHER EQUITY				
Profit and Loss Account	(3,41,41,100)		(2,67,53,963)	
Add: Loss of the year	(6,30,546)		(73,87,137)	
		(3,47,71,646)		(3,41,41,100)
Capial Reserve		31,46,529		31,46,529
TOTAL				

		(3,16,25,117)		(3,09,94,571)
NOTE `10'				
TRADE PAYABLES				
For Expenses		11,50,369		9,14,764
TOTAL		11,50,369		9,14,764
NOTE `11'				
REVENUE FROM OPERATION				
Revenue from operation		4,06,18,448		3,02,60,628
TOTAL		4,06,18,448		3,02,60,628
NOTE `12'				
OTHER INCOME				
Interest/ Dividend/ Mis.Income		97,784		1,24,352
TOTAL		97,784		1,24,352
NOTE `13'				
Stock Decreased /(Increased) by				
Opening Stock		57,100		3,42,424
Less : Closing Stock		2,500		57,100
TOTAL		54,600		2,85,324
NOTE `14'				
EMPLOYEE BENEFITS EXPENSES				
Salaries, Wages, Bonus etc.		1,93,600		3,83,550
Managing Director		3,00,000		3,00,000
TOTAL		4,93,600		6,83,550
NOTE `15'				
OTHER EXPENSES				
To Auditors				
- Audit fees		30,000		30,000
-Tax Audit fees		15,000		15,000
Accounting Charges		24,000		24,000
Electricity Charges		31,790		38,130
Rent,Rates and Taxes		2,000		27,702
Vehicles Expenses		94,799		1,11,218
Advertisement Exp.		9,250		17,200

Expenses of A.G.M		7,500		7,500
Bank Charges		17,325		1,292
Commission For Foreign Currency Bussiness		-		1,14,661
Legal fees and Expenses		1,00,602		1,32,115
Administartive Exp.		28,000		94,237
Printing & Stationery Exp.		17,724		18,413
Telephone Exp.		22,619		43,552
Office Exp.		32,160		-
Misc		81,200		-
Postage & Courier charges		-		14,083
TOTAL		5,13,969		6,89,103

ACCOUNTING POLICIES

Note: 1

Significant Accounting Policies And Notes Forming Parts of The Accounts

1. Significant Accounting Policies of Accounting Standard

Basis of Preparation of Financial Statement

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies(Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards), 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in the Schedule-III to the Companies Act, 2013.

Based on the nature of products and the time between, acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

Fixed Assets:

Tangible Assets are stated at cost of acquisition or construction (net of Cenvat Credit/Value Added Tax) except in case of certain assets which have been revalued, at its revalued amount, less accumulated depreciation and amortization. All costs relating to the acquisition and installation of assets are capitalized and include borrowing costs directly attributable to their construction or acquisition, up to the date the respective asset is put to use.

Depreciation:

3. Depreciation on Fixed Assets has been provided on remaining useful lives of the cost of fixed assets as per the rate provided in the Companies Act, 2013.

Investment: Non-current Investment are carried at cost of acquisition.

Sales, Purchase and Inventories:

Sales are invoiced on delivery of goods. Purchases are accounted on the receipt of title of goods including related cost. Inventories are valued at cost including all related expenses or net realizable value whichever is lower on FIFO Basis Stock of Educational materials has been valued at cost.

Miscellaneous Expenditure :

Preliminary & Preoperative Expenditure is written off over five years.

Excise Duty :

Excise duty is not applicable to the business in which the company is engaged

Taxes on Income :

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on excepted outcome of assessment /appeals.

Deferred Tax is recognized on timing difference between the accounting income and the taxable income for the year ended and quantified using the tax rates and laws enacted or substantially enacted as on the balance sheet date.

Notes on Accounts

- The Sundry Creditors, Sundry Debtors, Unsecured loans and loans & advances are subjected to confirmation and stated at their book value.
- Director's Remuneration Rs. 3,00,000 (P.Y. Rs. 3,00,000)
- Auditor's Remuneration : (in Rs.)

Particulars	Current year	Previous year
Audit Fees	45,000	45,000
Other Professional Fees	NIL	24,000

- In the opinion of the Board of Directors, the Current Assets, Loans and Advances are approximately value stated, if realized in the ordinary course of business. The provisions of all known liabilities are adequately provided and not in the excess of amount reasonably necessary.
- The Company had been advised that the computation of net profit u/s 198 of the Companies Act., 2013 had not been made since no commission is paid / payable to the directors for the year.
- AS- 15: In the opinion of the Board at present the company is not liable for gratuity and treatment of retirement benefit are accounted for as and when paid.
- Estimated amount of contracts remaining to be executed on capital account and not provided for Nil (P.Y. Nil)

	2017-18	2016-17
8. C.I.F. value of imports(excluding purchase of items Imported by other agencies)	Nil	Nil
9. Expenditure in foreign currency	Nil	Nil
10. Earning in foreign exchange	Nil	Nil
11. Contingent Liabilities	Nil	Nil
12. Related Party Disclosure : As per Accounting Standard-18 (AS-18)		

S.N.	Name of Related Party	Relationship
1.	Shivkumar R Chauhan	Managing Director
2.	Harshad S Gandhi	Director
3.	Nishit M Rupapara	Director
4.	Nehal S Chauhan	Director
5.	Parth S Chauhan	Director
6.	Biren J Thaker	CFO

List of transaction:

S.N.	Name of Party	Particulars of Transaction	Amount (Rs.)
1.	Shivkumar Chauhan	Director Remuneration	3,00,000/-

16. Accounting for Taxes on Income (AS-22)

Deferred Tax Assets/ Liability are provided to the extent there is reasonable certainty that these would be realized in future, in accordance with Accounting Standard AS-22 issued by the Institute of Chartered Accountants of India.

17. **Details of Earnings per Shares:**

S.No.	Particulars	2017-18	2016-17
1.	No. of Equity Shares of Re.1/- each	4106100	4106100
2.	Net Profit After Tax	(630546)	(7387137)
3.	Basic and diluted earnings per Shares	(0.15)	(1.80)

18. AS-28 : All the assets have been physically verified by the management during the year and also there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
19. The previous year's figure have been rearranged / re grouped where ever necessary.
20. We have verified the vouchers and documentary evidences wherever made available. Where no documentary evidences were available, we have relied on the authentication given by the Directors.

Form No. MGT-11**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L72900GJ1992PLC017494
Name of the company:	CHARMS INDUSTRIES LIMITED
Registered office:	108-B/109, Sampada Building B/h. A. K. Patel House, Mithakali Six Roads Navrangpura, Ahmedabad-380009

Name of the member(s): Registered address: Email Id: Folio No./Client Id: DP ID:

**I/We, being the member (s) of shares of the above named company, hereby
Appoint**

1.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

2.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

3.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual general meeting/ Extraordinary general meeting of the company, to be held on the Friday, 28th September , 2018 at 02.00 P.M. at the registered office of the Company situated 108-B/109, Sampada Building , Mithakhali Six Road, Opp-Hare Krishna Complex, B/H Kiran Motors Ahmedabad-380009 and at any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution No. Particulars

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2018 including Audited Balance Sheet as at 31st March 2018 and the Statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Shivkumar Raghunandan Chauhan (DIN- 00841729), who retires by rotation and being eligible, offers himself for re-appointment as a Director of the Company.

SPECIAL BUSINESS:

3. APPOINTMENT OF STATUTORY AUDITORS TO FILL CASUAL VACANCY.
4. TO APPOINT M/S. JIGAR SHAH & ASSOCIATES, CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS OF THE COMAPNY.

Signed this _____ day of _____ 2018

Signature of Member _____

Signature of Proxy holder(s) _____

Signed this _____ day of _____ 2018....

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

CHARMS INDUSTRIES LIMITED

CIN: L72900GJ1992PLC017494

Regd. Office: 108-B/109, Sampada Building B/h. A. K. Patel House, Mithakali Six Roads
Navrangpura, Ahmedabad-380009.

ATTENDANCE SLIP**Full name of the Member attending:**

Name of Proxy:

I hereby record my presence at the Annual General Meeting being held on **Friday, 28th September, 2018, at 02.00 p.m.** at 108-B/109, Sampada Building , Mithakhali Six Road, Opp-Hare Krishna Complex, B/H Kiran Motors Ahmedabad-380009, India.

Regd. Folio No.	
DP Id*	
Client Id*	
No. of Share held	

Member's/Proxy's Signature

(To be signed at the time of handling over the slip)

* Applicable for members holding shares in dematerialized form.

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.