

CHARMS INDUSTRIES LIMITED

[CIN: L72900GJ1992PLC017494]

Registered Office: 108-B/109, Sampada Building, mithakhali Six Roads, Opp-Hare Krishna Complex, B/H Kiran Motors, Ahmedabad, GJ-380009

Email: charmsltd@yahoo.com **Mo:** 079 26440404

Date: 02/09/2020

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

Subject.: Submission of Annual Report for the financial year 2018-19 in accordance to the provisions of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

BSE Code: 531327

Dear Sir,

With Reference to the above captioned Subject, we would like to inform you that we have already submitted the Annual Report along with Notice of AGM for the financial year 2019-20. Later, we came to know that due to inadvertence company had filed draft annual report. Therefore, to rectify the error, we are herewith submitting Annual Report of the Company along with Notice of AGM for the financial year 2019-20.

It is to be noted that we had dispatched this Annual Report to the all shareholder in compliance to applicable provision of the Companies Act, 2013. The Annual Report including AGM Notice is also available on the Company's website www.charmsindustries.in.

Kindly acknowledge the receipt of the same.

Thanking You,

Yours faithfully,

For, CHARMS INDUSTRIES LIMITED

SHIVKUMAR
RAGHUNANDA
N CHAUHAN

Digitally signed by
SHIVKUMAR
RAGHUNANDAN CHAUHAN
Date: 2020.09.02 19:42:25
+05'30'

**Shivkumar R. Chauhan
Managing Director
(DIN: 00841729)**

Encl.: As stated

28th
ANNUAL REPORT
2019-20

CHARMS
INDUSTRIES
LIMITED

28TH ANNUAL REPORT 2019-2020

CORPORATE INFORMATION

BOARD OF DIRECTORS

- HARSAD SHANTILAL GANDHI
(Chairman and Director)
- 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
- DEVELOPMENT CREDIT BANK

STATUTORY AUDITOR

M/S. JIGAR SHAH & ASSOCIATES
Chartered Accountants
Ahmedabad

SECRETARIAL AUDITOR

M/S. BRAJESH GUPTA & ASSOCIATES
Company Secretaries
Indore

REGISTERED OFFICE

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

REGISTRAR 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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MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

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 **28th Annual General Meeting of Charms Industries Limited will be held on Saturday, 26th day of September, 2020 at 11.30 AM** through video Conferencing / Other Audio-Visual Means 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 2020 and the Reports of the Board of Directors and Auditors thereon.

2. To appoint Director in place of Mr. Parth Shivkumar Chauhan (DIN-07571829), who retires by rotation and being eligible, offers himself for re-appointment as a Director of the Company.

SPECIAL BUSINESS:

3. Re-appointment of Mr. Harsad Shantilal Gandhi (DIN: 01056779) as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013(“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to

the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Harsad Shantilal Gandhi (DIN: 01056779), who holds office of Independent Director up to 29th September, 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose , Mr. Harsad Shantilal Gandhi (DIN: 01056779) candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 29th September, 2020 to 28th September, 2025.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

4. Re-appointment of Mr. Nishit M. Rupapara (DIN: 02859031) as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable

provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Nishit M. Rupapara (DIN: 02859031), who holds office of Independent Director up to 29th September, 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose , Mr. Nishit M. Rupapara (DIN: 02859031) 01056779) candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 29th September, 2020 to 28th September, 2025."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

For and on behalf of the Board
Sd/-

Harsad Shantilal Gandhi
Chairman & Director
(DIN: 01056779)

Place: Ahmedabad
Date: 27/08/2020

IMPORTANT NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispended the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said circulars, the 28th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 17 and available at the Company's website <http://www.charmsindustries.in>.
2. Information regarding appointment/re-appointment of Directors and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/ or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and

cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at www.charmsindustries.in. The Notice can also be accessed from the website of the Stock Exchange i.e. Bombay Stock Exchange of India Limited at www.bseindia.com.
6. The Register of members and share transfer books of the Company will remain closed from Saturday, 19th September, 2020 to Saturday, 26th September, 2020 (both days inclusive) for the purpose of Annual General Meeting.
7. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
8. Members holding the shares in physical mode are requested to notify

immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialised form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.

9. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual members holding shares in the physical form. The members who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination by quoting their folio number.
10. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
11. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination

and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

12. Process and manner for members opting for voting through Electronic means:

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.
- ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the

Cut-off date i.e. Saturday, 19th September, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

- iii. A person who has acquired the shares and has become a member of the Company after the despatch of the Notice of the AGM and prior to the Cut-off date i.e. Saturday, 19th September, 2020 shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
- iv. The remote e-voting will commence on Wednesday, 23rd September, 2020 at 10.00 a.m. and ends on Friday, 25th September, 2020 at 5.00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. Saturday, 19th September, 2020 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.

- v. 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 voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date i.e. Saturday, 19th September, 2020
- vi. The Company has appointed CS Devesh Khandelwal, Practising Company Secretary (Membership No. FCS: 4202; COP No: 6897), to act as the Scrutiniser for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

13. Process for those shareholders whose email ids are not registered:

- a) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder by email to charmsltd@yahoo.com.
- b) Members holding shares in Demat mode can get their E-mail ID registered by contacting their respective Depository Participant or by email to charmsltd@yahoo.com.

14. The instructions for shareholders for remote voting are as under:

- i. The voting period begins on Wednesday, 23rd September, 2020 at 9.00 a.m. and ends on Friday,

25th September, 2020 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Saturday, 19th September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iv. Click on Shareholders.
- v. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. 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.
- viii. 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)

	<ul style="list-style-type: none"> 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.

- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Members holding shares in physical form will then 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.
- xi. For Members holding shares in physical form, the details can be

- used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN of the Company – CHARMS INDUSTRIES LIMITED on which you choose to vote.
- xiii. 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.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. 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.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii. 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.
- xix. Shareholders can also cast their vote using CDSL’s mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone

users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xx. **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 Corporates.
- 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 a Compliance User should be created using the admin login and password. The Compliance 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 scrutiniser to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

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 or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

15. The instructions for shareholders voting on the day of the AGM on e-voting system are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.
3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is

- available only to the members participating in the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 16. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.charmsindustries.in. within three days of the passing of the Resolutions at the 28th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
 17. Instructions for members for attending the AGM through VC / OAVM are as under:
 1. Member will be provided with a facility to attend the AGM through VC/OAVM or view the live webcast of AGM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders'/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
 2. Members are encouraged to join the Meeting through Laptops for better experience.
 3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 5. For ease of conduct, members who would like to ask questions may send their questions in advance at least (7) days before AGM mentioning their name, demat account number / folio number, email id, mobile number at charmsltd@yahoo.com and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
 6. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
 18. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani

(022-23058543) or Mr. Rakesh Dalvi
(022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

For and on behalf of the Board

Sd/-

Harsad Shantilal Gandhi

Chairman & Director

(DIN: 01056779)

Place: Ahmedabad

Date: 27/08/2020

**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. Parth Shivkumar Chauhan (Din:07571829)	Mr. Harsad S. Gandhi (DIN: 01056779)	Mr. Nishit M. Rupapara (DIN: 02859031)
Age /Date of Birth	25/10/1990	22/06/1966	07/02/1983
Date of Appointment	02/09/2016	27/09/2006	31/08/2009
Qualification and experience in specific functional areas	B.Com.	B.Com. and having more than 25 years' of experience of management and administration	MBA with Finance and having Around 13 years' experience of management, Finance and administration
Directorship held in other companies*	NIL	NIL	NIL
Membership / chairmanships of committees in other Public companies*	NIL	NIL	NIL
Number of Shares held in the Company	NIL	NIL	NIL
Relationship of the Directors Inter se	<ul style="list-style-type: none"> ➤ Mrs. Nehal Shivkumar Chauhan (Mother) ➤ Mr. Shivkumar Chauhan (Father) 	NA	NA

*Pvt. Companies excluded

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

Date: 27/08/2020
Place: Ahmedabad

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item 3 & 4

Mr. Harsad Shantilal Gandhi (DIN: 01056779) and Mr. Nishit M. Rupapara (DIN: 02859031) were appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the Annual General Meeting held on 30th September, 2015 to hold office till 29th September, 2020 ("First term" as per the explanation to Section 149(10) and 149(11) of the Act.).

The Nomination & Remuneration Committee at its Meeting held on 27th August, 2020 after taking into account the performance evaluation of these Independent Directors, during their first term of five years and considering the knowledge, acumen, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as an Independent Director since their appointment, has recommended to the Board that continued association of these Directors as an Independent Directors would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of these Directors as Independent Directors on the Board of the Company, to hold office for the second term of five consecutive years commencing from 29th September, 2020 to 28th September, 2025 and not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Harsad Shantilal Gandhi (DIN: 01056779) and Mr. Nishit M. Rupapara (DIN: 02859031) for their appointment to the office of Independent Directors.

Brief profile of the above Independent Directors are as under:

- Mr. Harsad Shantilal Gandhi, aged 50 years, is non-executive Independent Director of the Company. He has completed B.Com. and having more than 25 years' of experience of management and administration.
- Mr. Nishit M. Rupapara, aged 37 years, is non-executive Independent Director of the Company. He has completed MBA with Finance and having Around 13 years' experience of management, Finance and administration

The above Directors have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion they fulfil the conditions specified in the Act for their appointment as an Independent Directors.

The Company has also received from the above directors: -

- (i) the consent in writing to act as Director and
- (ii) Intimation that they are not disqualified under section 164(2) of the Companies Act, 2013.
- (iii) a declaration to the effect that they are not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

A copy of the draft letter for the appointment of the above Directors as Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and the same has also been put up on the Company website.

The other details including the shareholding of these Directors, whose appointment is proposed at item nos. 3 and 4 of the accompanying Notice, have been given in the attached annexure.

The Board recommend the Resolutions for re-appointment of the Independent Directors at item no. 3 and 4 as Special Resolutions of this notice for your approval.

Mr. Harsad Shantilal Gandhi (DIN: 01056779) and Mr. Nishit M. Rupapara (DIN: 02859031) respectively, are concerned or interested in the resolutions of the accompanying notice relating to their own appointment.

None of the other Directors, Key Managerial Personnel and relatives thereof are concerned or interested in the Resolutions at item nos. 3 and 4.

Regd Office:
108-B/109 Sampada Building,
Mithakhali Six Roads, Opp-Hare
Krishna Complex, B/H Kiran
Motors, Ahmedabad-38009

Date: 27/08/2020
Place: Ahmedabad

By Order of the Board of Directors
For, Charms Industries Limited

Sd/-
Harsad Shantilal Gandhi
Chairman & Director
(DIN: 01056779)

DIRECTORS REPORT

TO THE MEMBERS OF CHARMS INDUSTRIES LIMITED

The Directors are pleased to present this 28th Annual Report and the Audited Statement of Accounts for the year ended March 31, 2020.

1. FINANCIAL RESULTS

Particulars	For the year ended March 31, 2020 (Rs in lakh)	For the year ended March 31, 2019 (Rs in lakh)
Total Income including exceptional items	515.64	561.98
Profit / (Loss) Before Depreciation	(9.47)	(5.11)
Less : Depreciation	0.37	0.33
Profit / (Loss) Before Tax	(9.80)	(5.44)
Less : Income Tax	-	-
Less : Deferred Tax	(0.04)	(0.06)
Profit / (Loss) After Tax	(5.38)	(6.30)

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.

2. DIVIDEND

Since the company incurred loss during the year ended on 31st March, 2020, the Board of Directors has not recommend any dividend for the year.

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 boards consist of adequate number of directors 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 R. 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	5
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. Parth Shivkumar Chauhan (DIN-07571829) retires by rotation and being eligible have offered himself for reappointment.

C. Changes in Board during the Year

There are no Changes in Board during the year.

D. Declaration of Independence

Mr. Harsad S. Gandhi (DIN: 01056779) and Mr. Nishit Mr. 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 8th May, 2019, 28th May, 2019, 12th August, 2019, 13th November, 2019, 13th February, 2020 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 2020 pursuant to section 92(3) of the Companies Act, 2013 and 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.

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

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 year, 4 (Four) meeting of the committee was held on, 28th May, 2019, 12th August, 2019, 13th November, 2019 and 13th February, 2020. 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 08th May, 2019.

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.

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 Chauhan	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, 2020 are NIL. Mr. Dileep Panchal is the Company Secretary and Compliance Officer of the Company for the above purpose.

Meetings:

The Committee duly met 01 (one) times on 13th February, 2020.

12. INDEPENDENT DIRECTORS MEETING:

The Independent Directors of the Company met during the year on 13th February, 2020 without the attendance of non-Independent Directors and members of the Board. The Independent Directors reviewed the performance of the non-independent Directors and Board as whole. the performance of the Chairman taking into account the views of executive Directors and non-executive Directors and assessed the quality, quantity and timeline of flow of information between company management and board.

13. Auditors**a. Statutory Auditors:**

The present Auditors of the Company M/s. Jigar Shah & Associates, Chartered Accountants, Ahmedabad (FRN.:128263W) Chartered Accountants, were appointed as Auditors for a period of 5 year(s) at the 26th Annual General Meeting held on 28th September, 2018 to hold office till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2023.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. The said report contains observation or qualification certain observation and qualification which are mentioned here in under.

Management's response on the statutory auditor's Qualification/Comments on the Company's financial statements:**Qualification 1**

The company has granted provisional registration under GST law and subsequently applied for cancellation of the same. The company has made default in the payment of Tax and filing of GST returns for the period starting from date of registration till the date of cancellation application. The company has not deposit the tax amount to the government account.

Response

The company had been granted provisional registration under GST Law and further according to the Managements knowledge there is no requirement of payment of Tax and filing of GST returns under the provisional registration and therefore the company has not made payment of tax to the government.

Further Company has not made application for cancellation of GST's Provisional registration it has been automatically cancelled by GST Department. The Company is in process to make fresh Application for new GST Registration and it will ensure that payment of all the pending dues of Governments will be made shortly.

Qualification 2

The company has violated the TDS provisions of the Income Tax Act, 1961 and has made default in deduction of TDS on the payments made to the parties. And the TDS deducted is also not paid to the government account within the time limit prescribed under the Income Tax Act, 1961.

Response

Due to inadvertent the company has missed deduction of TDS on the payments made to the parties and therefore not made payments of TDS to the government within the time limit prescribed under the Income Tax Act, 1961. Further Company has communicated to all the parties regarding the same and will make payment shortly.

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 11th February, 2019 has appointed Mr. Praful N. Shah & Co., Chartered Accountant, as an Internal Auditor of the Company for the financial year 2019-20.

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. Mr. Brajesh Gupta, Company Secretaries had been appointed to issue Secretarial Audit Report for the Period ended on 31st March, 2020. Secretarial Audit Report issued by Mr. Brajesh Gupta, Company Secretary in Practice For the period ended on 31st March 2020. Secretarial Audit Report issued by Mr. Brajesh Gupta, 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-Compliance of regulation 6(1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which stipulates that a listed entity shall appoint a qualified company secretary as the compliance officer, however the company does not appoint the same for a period of 01st April, 2019 to 07th May, 2019.

The Board of Directors of the Company would like to inform you that due to non-availability of proper suitable candidate, the Company could not appoint a qualified Company Secretary as Compliance officer and then after on such finding Mr. Dileep Panchal appointed as Company Secretary and Compliance officer of the company w.e.f. 08th may, 2019

- Non-Compliance of regulation 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.

The Board noted the fact about Non-Dematerialization of only 0.48 % of the promoter's 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-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 due to which Company is Suspended from Stock Exchange, however the Company has paid the listing fee as on date.

The Board of Directors of the Company would like to inform you that the Company has paid the listing fee as on date. Further the Company is regular in complying the various clauses and regulations of the Listing Agreement and LODR.

- Non-compliance of regulation 47 of (Listing Obligations and Disclosure Requirements) Regulations, 2015, i.e. Advertisements in Newspapers.

The Board of Directors of the Company would like to inform you that due to inadvertent, the company fails to publish

advertisements in newspaper as per Regulation 47 of SEBI (LODR) Regulation, 2015.

- Non-Compliance of Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended September, 2019 i.e. the Company has delayed in uploading the Shareholding Pattern within prescribed time, however the Company has uploaded the same.

The Board of Directors of the Company would like to inform you that due to inadvertent error, Company has delayed in uploading the Shareholding Pattern within prescribed time. However then after Company uploaded the same Shareholding Pattern.

Non-Compliance of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended September, 2019 i.e. the Company has delayed in uploading the Reconciliation Report within prescribed time, however the Company has uploaded the same.

The Board of Directors of the Company would like to inform you that due to inadvertent, the company has delayed in uploading the Reconciliation Report within prescribed time. And then after knowledge of the same the Company has uploaded the same.

Non-Compliance of Regulation 74 (5) of SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended March, 2019 i.e. the Company has delayed in uploading the Confirmation Certificate within prescribed time, however the Company has uploaded the same.

The Board of Directors of the Company would like to inform you that due to inadvertent, the Company has delayed in uploading the Confirmation Certificate within prescribed time

and then after the company uploaded the Confirmation Certificate.

14. COMPANY SECRETARY:

The Board of Directors in their meetings held on Wednesday, 08th May, 2019 has Appointed Mr. Dileep Panchal as whole time company secretary and Compliance Officer of the company.

15. 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/>.

16. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTIN 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.

17. 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 is very minimal.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. LISTING

The Equity Shares of the Company are listed on Bombay Stock Exchange however the trading in shares of the company is suspended due to non-payment of listing fees to the Stock Exchange for the year 2019-20, further the Company is regular in compliances of various clauses and regulations of the Listing Agreement and/or LODR.

23. 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.

24. 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.

25. 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.

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

The company has not made any loans, guarantees or investments covered under the provisions of section 186 of the Companies Act, 2013 during the financial period under review.

27. 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 equipment's: **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 has 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 Outgoing: **NIL**

28. 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.

29. 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

30. 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: 27/08/2020

“Annexure-1”**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31/03/2020

[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 Building, mithakhali Six Roads, Opp-Hare Krishna Complex, B/H Kiran Motors, Ahmedabad- 380009, Gujarat Phone: 079 26440404 Email;: charmsitd@yahoo.com
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	99.82%

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 (01/04/2019)				No. of Shares held at the end of the year (31/03/2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	995623	4840	1000463	24.37	995623	4840	1000463	24.37	0.00
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI									
f) Any other...									
Sub-total (A) (1):-	995623	4840	1000463	24.37	995623	4840	1000463	24.37	0.00
(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)	995623	4840	1000463	24.37	995623	4840	1000463	24.37	0.00
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	107520	15900	123420	3.00	99269	15900	115169	2.80	(0.20)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1010591	610100	1620691	39.47	1019342	609600	1628942	39.67	0.20
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	924032	204100	1128132	27.47	925756	204100	1129856	27.52	0.04
c) Others (specify)									
i) Hindu Undivided Family	158402	-	158402	3.86	158401	0	158401	3.86	(0.00)
ii) Non Resident Repatriates	63	70000	70063	1.71	63	70000	70063	1.71	0.00
iii) Non Resident Non Repatriates	223	-	223	0.01	0	0	0	0.00	(0.01)
iv) Clearing Members	4706	-	4706	0.11	3206	0	3206	0.08	(0.04)
Sub-total (B)(2):-	2205537	900100	3105637	75.63	2206037	899600	3105637	75.63	(0.00)

Total Public Shareholding (B)=(B)(1)+ (B)(2)	2205537	900100	3105637	75.63	2206037	889600	3105637	75.63	(0.00)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3201160	904940	4106100	100	3201660	904440	4106100	100	(0.00)

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	0.00	968540	23.59	0.00	0.00
2	Nehal S. Chauhan	31923	0.77	0.00	31923	0.77	0.00	0.00
	Total	100463	24.36	0.00	1000463	24.36	0.00	0.00

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

Sr No	NAME	Shareholding		Increase/Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01.04.2019/ end of year 31.03.2020)	% total Shares of the Company		No of Shares	% total Shares of the Company
1	SHIVKUMAR R. CHAUHAN	968540	23.59	0.00	968540	23.59
2	NEHAL S CHAUHAN	31923	0.77	0.00	31923	0.00
	TOTAL	1000463	24.36	0.00	100463	24.36

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

(v)

SR NO	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (30/03/2019)/ end of the year (31/03/2020)	% total Shares of the Company			No of Shares	% total Shares of the Company
1	BABULAL JAIN	108295	2.64	30-Mar-2019	0	108295	2.64
			0.00	31-Aug-2019	-108295	0	0.00
			2.64	06-Sep-2019	108295	108295	2.64
			0.00	31-Oct-2019	-108295	0	0.00
			2.64	01-Nov-2019	108295	108295	2.64
		108295	2.64	31-Mar-2020	0	108295	2.64
2	REEMA BHAVIN SHAH	97265	2.37	30-Mar-2019	0	97265	2.37
			2.35	05-Apr-2019	-700	96565	2.35
			2.34	07-Jun-2019	-600	95965	2.34
			2.33	05-Jul-2019	-500	95465	2.33
			2.32	09-Aug-2019	-200	95265	2.32
		95265	2.32	31-Mar-2020	0	95265	2.32
3	PRATIK RAJENDRABHAI GANDHI	10000	0.24	30-Mar-2019	0	10000	0.24
			1.72	16-Aug-2019	60500	70500	1.72
		70500	1.72	31-Mar-2020	0	70500	1.72
4	RAJENDRA DHIRAJLAL GANDHI	60500	1.47	30-Mar-2019	0	60500	1.47
			0.00	16-Aug-2019	-60500	0	0.00
			0.00	31-Mar-2020	0	0	0.00
5	PARESH POPATLAL JOSHI	50000	1.22	30-Mar-2019	0	50000	1.22
			1.23	26-Apr-2019	500	50500	1.23
			1.24	10-May-2019	400	50900	1.24
			1.25	07-Jun-2019	400	51300	1.25
			1.26	05-Jul-2019	500	51800	1.26
			1.27	09-Aug-2019	400	52200	1.27
			1.28	06-Sep-2019	300	52500	1.28
			1.28	11-Oct-2019	124	52624	1.28
			1.29	06-Dec-2019	400	53024	1.29
			1.30	13-Mar-2020	300	53324	1.30
		53324	1.30	31-Mar-2020	0	53324	1.30
6	BINA SHAH FLECK	50000	1.22	30-Mar-2019	0	50000	1.22
			0.00	31-Aug-2019	-50000	0	0.00

			1.22	06-Sep-2019	50000	50000	1.22
			0.00	17-Sep-2019	-50000	0	0.00
			1.22	18-Sep-2019	50000	50000	1.22
			0.00	31-Oct-2019	-50000	0	0.00
			1.22	01-Nov-2019	50000	50000	1.22
		50000	1.22	31-Mar-2020	0	50000	1.22
7	LAXMIPAT DUDHERIA	48307	1.18	30-Mar-2019	0	48307	1.18
		48307	1.18	31-Mar-2020	0	48307	1.18
8	BHAVINBHAI VINODCHANDRA SHAH	34677	0.84	30-Mar-2019	0	34677	0.84
			1.17	10-May-2019	13206	47883	1.17
			0.00	31-Aug-2019	-47883	0	0.00
			1.17	06-Sep-2019	47883	47883	1.17
			0.00	31-Oct-2019	-47883	0	0.00
			1.17	01-Nov-2019	47883	47883	1.17
		47883	1.17	31-Mar-2020	0	47883	1.17
9	VIPUL RAJENDRABHAI GANDHI	45000	1.10	30-Mar-2019	0	45000	1.10
		45000	1.10	31-Mar-2020	0	45000	1.10
			0.00	19-Jul-2019	-40736	0	0.00
			0.99	23-Aug-2019	40736	40736	0.99
			0.00	31-Aug-2019	-40736	0	0.00
			0.99	06-Sep-2019	40736	40736	0.99
			0.00	31-Oct-2019	-40736	0	0.00
			0.99	01-Nov-2019	40736	40736	0.99
			0.99	31-Jan-2020	-200	40536	0.99
		40536	0.99	31-Mar-2020	0	40536	0.99
10	PRATIK RAJENDRA GANDHI (HUF)	40000	0.97	30-Mar-2019	0	40000	0.97
			0.00	31-Aug-2019	-40000	0	0.00
			0.97	06-Sep-2019	40000	40000	0.97
			0.00	31-Oct-2019	-40000	0	0.00
			0.97	01-Nov-2019	40000	40000	0.97
		40000	0.97	31-Mar-2020	0	40000	0.97
11	PARIMAL JAYANT	39999	0.97	30-Mar-2019	0	39999	0.97
		39999	0.97	31-Mar-2020	0	39999	0.97

(vi) Shareholding of Directors and Key Managerial Personnel:

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 Directors and KMP				
1.	Shivkumar R. Chauhan				
	At the beginning of the year	968540	23.59	968540	23.59
	No Changes during the year	0	0	0	0
	At the end of the Year	968540	23.59	968540	23.59
2.	Nehal S. Chauhan				
	At the beginning of the year	31923	0.7	31923	0.07
	Decrease during the year	0	0	0	0
	At the end of the Year	31923	0.7	31923	0.7
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	2248	0.05	2248	0.05
	No Changes during the year	0	0	0	0
	At the end of the Year	2248	0.05	2248	0.05
8.	Dileep Panchal				

	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

(VI) INDEBTEDNESS:

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

	Secured Loans excluding deposits	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	-	400000	-	400000
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	400000	-	400000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	400000	-	400000

(VII) 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/MTD/ 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		Nil
	(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	30,00,000	30,00,000

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 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	per Rs.100000/- meeting	per Rs.100000/- meeting	

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total
		Biren Jagdishkumar Thakar (CFO)	Dileep Panchal (CS)	
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	1,33,875	1,65,000	2,98,875
2.	Stock Option	-	-	
3.	Sweat Equity	-	-	
4.	Commission - as % of profit - Others specify...	-	-	
5.	Total	1,33,875	165000	2,98,875

(VIII) 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					
Punishment					
Compounding					
B.DIRECTORS			NIL		
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: 27/08/2020

“Annexure-2”

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended on 31st March, 2020

**[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 (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, 2020 (‘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, 2019 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 there under 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) ;(**Not applicable 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) ;(**Not applicable 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) ;(**Not applicable 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) ;(**Not applicable 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) ;(**Not applicable during the audit period**)

(vi) Reserve Bank of India Act, 1934.

(The company is engaged in business of Full Fledge Money Changer and holds a valid License issued by the RBI, Ahmedabad vide License No. FE. AH. AM. 02/99, therefore the Company has to follow the RBI Act and rules and regulations there under as applicable to those holding License to carry on the business of FPMC.)

(vii) I have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances of other specific applicable Acts, Laws and Regulations to the Company as mentioned hereunder;

(viii) Income-Tax Act, 1961 and Indirect Tax Laws;

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

I. Secretarial Standards issued by The Institute of Company Secretaries of India;

II. 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) Non-Compliance of regulation 6(1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which stipulates that a listed entity shall appoint a qualified company secretary as the compliance officer, however the company has not appointed the same during the audit period till 07th May, 2019.

b) Non-Compliance of regulation 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 due to which Company is Suspended from Stock Exchange, however the Company has paid the listing fee as on date.

d) Non-compliance of regulation 47 of (Listing Obligations and Disclosure Requirements) Regulations, 2015, i.e. Advertisements in Newspapers.

e) Non-Compliance of Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended September, 2019 i.e. the Company has delayed in uploading the Shareholding Pattern within prescribed time, however the Company has uploaded the same.

f) Non-Compliance of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended September, 2019 i.e. the Company has delayed in uploading the Reconciliation Report within prescribed time, however the Company has uploaded the same.

g) Non-Compliance of Regulation 74 (5) of SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended March, 2019 i.e. the Company has delayed in uploading the Confirmation Certificate within prescribed time, however the Company has uploaded the same.

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

Boards 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, Brajesh Gupta and Associates, Company secretaries,

Brajesh Gupta

Proprietor

ACS: 33070

COP No.:21306

UDIN: A033070B000624375

Place: Ahmedabad

Date: 27/08/2020

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. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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 and 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, Brajesh Gupta and Associates, Company secretaries,

Brajesh Gupta
Proprietor
ACS: 33070
COP No.:21306
UDIN: A033070B000624375

Place: Ahmedabad

Date: 27/08/2020

“Annexure-3”**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT****GENERAL ECONOMY OUTLOOK:**

Global growth is projected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent for 2021—a downward revision of 0.1 percentage point for 2019 and 2020 and 0.2 for 2021 compared to those in the October World Economic Outlook (WEO). The downward revision primarily reflects negative surprises to economic activity in a few emerging market economies, notably India, which led to a reassessment of growth prospects over the next two years. In a few cases, this reassessment also reflects the impact of increased social unrest.

On the positive side, market sentiment has been boosted by tentative signs that manufacturing activity and global trade are bottoming out, a broad-based shift toward accommodative monetary policy, intermittent favorable news on US-China trade negotiations, and diminished fears of a no-deal Brexit, leading to some retreat from the risk-off environment that had set in at the time of the October WEO. However, few signs of turning points are yet visible in global macroeconomic data.

While the baseline growth projection is weaker, developments since the fall of 2019 point to a set of risks to global activity that is less tilted to the downside compared to the October 2019 WEO. These early signs of stabilization could persist and eventually reinforce the link between still-resilient consumer spending and improved business spending. Additional support

could come from fading idiosyncratic drags in key emerging markets coupled with the effects of monetary easing. Downside risks, however, remain prominent, including rising geopolitical tensions, notably between the United States and Iran, intensifying social unrest, further worsening of relations between the United States and its trading partners, and deepening economic frictions between other countries. A materialization of these risks could lead to rapidly deteriorating sentiment, causing global growth to fall below the projected baseline.

Stronger multilateral cooperation and a more balanced policy mix at the national level, considering available monetary and fiscal space, are essential for strengthening economic activity and forestalling downside risks. Building financial resilience, strengthening growth potential, and enhancing inclusiveness remain overarching goals. Closer cross-border cooperation is needed in multiple areas, to address grievances with the rules-based trading system, curb greenhouse gas emissions, and strengthen the international tax architecture. National-level policies should provide timely demand support as needed, using both fiscal and monetary levers depending on available policy room.

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, travelers' cheques and outward telegraphic remittances, including outbound remittances towards student fees, film shoots, tour remittances etc. and also extend encasements of foreign currency demand drafts, travelers' 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:

Every year sees global currencies jostle for position, although lately it has been a race to the bottom, with more than 30 central banks around the world cutting interest rates in a desperate bid to avoid falling into recession.

Low interest rates typically mean a weak currency, as investors can get a better return on their money elsewhere.

The mighty US dollar remains the one to beat, even though the Federal Reserve cut interest rates three times last year as the economy slowed. The British pound had a bumpy 2019 but ended the year higher, while the Canadian dollar held strong, the Chinese yuan and Indian rupee weakened, and Bitcoin was all over the place, as usual.

What happens next depends on how the global economy performs in 2020, and how intense the conflict between US and Iran becomes. Geopolitical worries typically have investors rushing around to find a safe home for their money – and right now the Japanese yen is the beneficiary.

2019 was a big year in Indian politics, with Prime Minister Narendra Modi winning a second term and his BJP party sweeping the elections. Now attention will turn to the Indian economy, where growth is slowing to a six-year low of 4.5 per cent.

This forced the Reserve Bank of India to cut rates in 2019, and with difficult economic conditions set to persist, Mr Kashyap expects the rupee to weaken further.

Outlook: Indian rupee could be heading for a fall.

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, for 2019, it is projected that remittances growth for the region will slow to 4.3% due to a moderation of growth in advanced economies, lower migration to the GCC and the benefits from the oil price spurt dissipating.

Reversing previous year's sharp decline (8.9 per cent in 2017), Remittances to India picked up sharply by 9.9% to \$69 billion in 2018, reversing the previous year's dip, but were still short of \$70.4 billion received in 2015. Payments from immigrants back to their home countries rebounded to reach a new record in 2018.

The upsurge is likely to continue into 2019 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. 2019-20 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 act 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.

SEGMENT WISE PERFORMANCE:

Our company's operations belong to a single segment and therefore no segment wise performance given.

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.

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

Place: Ahmedabad
Date: 27/08/2020

“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	2 times
II.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	No Increase	
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, 2020.	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.	Nil	
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: 27/08/2020

INDEPENDENT AUDITOR'S REPORT

To,
The Members
CHARMS INDUSTRIES LIMITED

Report on Financial Statements

1. We have audited the accompanying financial statements of **CHARMS INDUSTRIES LIMITED** ("**the Company**"), which comprises Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (statement of changes in equity), and the statement of Cash flow Statement for the year ended, and a Summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except as specified in the basis of qualification, the aforesaid financial statements give the information required by the Companies Act 2013, as amended ("**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, 2020;
- b) In the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date;
- c) the case of the Cash Flow Statement , of the Cash Flow for the year ended on that date;

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion except the below mentioned matters.

We have qualified our opinion on the matters specified below:-

1. The company has granted provisional registration under GST law and subsequently applied for cancellation of the same. The company has made default in the payment of Tax and filing of GST returns for the period starting from date of registration till the date of cancellation application. The company has not deposit the tax amount to the government account.
2. The company has violated the TDS provisions of the Income Tax Act, 1961 and has made default in deduction of TDS on the payments made to the parties. And the TDS deducted is also not paid to the government account within the time limit prescribed under the Income Tax Act, 1961.

Key Audit Matter

- 3 Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Emphasis of Matter

- 4 We draw attention to Note 2 “Property, plant & machinery” of the financial statements, which describes that company had purchased an instrument namely “Physical Health Recorders” which was purchased for other purposes but later on the purpose was dropped. Henceforth the depreciation on the same will not available to the company. The company has claimed depreciation in earlier years, however from this financial year onwards depreciation was not taken. Our opinion is not modified in respect of this matter.

Management’s Responsibility for the Financial Statements

- 5 The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that gives true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 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 controls, that were operating effectively for ensuring the accuracy and Completeness of the accounting records, relevant to the preparation and

presentation of the financial Statements that give a true and fair view and are free from materials misstatement, whether due to fraud or error.

Auditor's Responsibility

- 6 Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provision 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 and the Order issued under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a 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 the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Report on Other Legal and Regulatory Requirements

- 7 As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we enclosed in the annexure A, a statement on matters specified in paragraph 3 & 4 of the said order.
- 8 As required by Section 143 (3) of the Act, based on our Audit 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 purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those book

- c) The Balance Sheet, the Statement of Profit and Loss and the Cash flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, except specified in accounting policies attached with financial statements.
- e) In our opinion there are no observations or comments on the financial transactions, which may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31st March 2020 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2020 from being appointed as a directors in terms of section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of section 143 of the companies Act, 2013 ("the Act")- is enclosed an annexure B to this report.
- h) 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 position.
 - 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 were required to be transferred to the Investor Education and Protection Fund by the Company.

For, JIGAR SHAH & ASSOCIATES
Chartered Accountants
Firm Reg. No.: 128263W
UDIN: 20075778AAAAFR9341

Date: 30/07/2020
Place: Ahmedabad

CA JIGAR M SHAH
Proprietor
M.NO.075778

ANNEXURE A– Report under the Companies (Auditor’s Report) Order, 2016

Referred to in of our report of even date

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

- i. a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b. As explained to us, all the assets have not been physically verified by the management during the year but 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.
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. As explained to us, the inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on physical verification during the year.
- iii. (a). The Company has not granted unsecured loan to 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 condition of loans are not prejudicial to the company’s interest, having regards to management’s 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, loans are repayable on demands and are interest free. Management has not demanded repayment of loan. Accordingly, there has been default on the part of the parties to whom the money has been lent.
- iv. According to information and explanation 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 section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of clause 3(iv) of the said order not applicable to the company.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable . No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.
- vii.
 - a.) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it, except for Goods and Service Tax amounting Rs.79830/- and TDS of Rs. 38,885/- which is outstanding on the last date of financial year has not been paid.
 - b.) According to the information and explanations given to us, Income tax of Rs. 38,885/- were in arrears, as at 31-Mar-2020 for a period of more than six months from the date it became payable.
 - c.) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.
- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.
- ix. The company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans.
- x. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.
- xi. The Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

- xii. The company is not a Nidhi Company hence this clause is not applicable.
- xiii. Based upon the audit procedures performed and according to the information and explanations given to us, All transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. The company has entered into non-cash transactions with directors or persons connected with him and the provision of section 192 of Companies Act, 2013 has been complied with.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Date: 30.07.2020
Place: AHMEDABAD

FOR, JIGAR SHAH& ASSOCIATES.
CHARTERED ACCOUNTANTS
Firm Reg. No.:128263W
UDIN: 20075778AAAAFR9341

CA JIGAR M SHAH
(Proprietor)
M.NO. 075778

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CHARMS INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of **CHARMS INDUSTRIES LIMITED** as of 31-Mar-2020 in conjunction with our audit of the standalone 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. 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 Companies Act, 2013.

Auditors' 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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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

6. 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 31-Mar-2020.

Date: 30.07.2020
Place: AHMEDABAD

FOR, JIGAR SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.: 128263W
UDIN: 20075778AAAAFR9341

(CA JIGAR M SHAH)
PROPRIETOR
M.NO. 075778

CHARMS INDUSTRIES LIMITED				
BALANCE SHEET AS AT 31 MARCH, 2020				
			As at 31st March,2020	As at 31st March,2019
	ASSETS			
1.	Non-current assets			
	(a) Property, Plant & machinery	2	5,87,195	6,12,095
	(b) Capital work-in-progress			
	(c) Intangible Assets			
	(d) Financial Assets			
	i) Investment	3	49,03,000	54,63,000
	ii) Other Financial Assets		-	-
	(e) Other non-current assets		-	-
	Total Non-Current Assets		54,90,195	60,75,095
2.	Current assets			
	(a) Inventories	4	2,500	2,500
	(b) Financial Assets			
	(i) Investments			
	(ii) Trade receivables		-	-
	(ii) Cash and cash equivalents	5	91,846	45,772
	(iii) Bank Balance other than (ii) above	6	21,85,131	18,21,900
	(c) Other current assets	7	11,83,495	11,70,786
	Total Current Assets		34,62,972	30,40,958
	TOTAL ASSETS		89,53,167	91,16,053
	<u>EQUITY AND LIABILITIES</u>			
	EQUITY			
	(a) Equity Share Capital	8	4,10,61,000	4,10,61,000
	(b) Other Equity	9	(3,31,39,488)	(3,21,63,953)
	Total equity attributable to owners of the company		79,21,512	88,97,047
	LIABILITIES			
	(1) Non- current liabilities			
	(a) Financial Liabilities		-	-

(i) Borrowings	10	4,00,000	-
(b) Provisions			
(c) Deferred Tax Liability(Net)		(9,868)	(5,836)
Total Non-Current Liabilities		3,90,132	(5,836)
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables	11	4,64,808	1,85,958
(iii) Other Financial Liabilities			
(b) Other Current Liabilities	12	79,830	-
(c) Provisions	13	58,000	-
(d) Liabilities for current tax	14	38,885	38,885
Total Current Liabilities		6,41,523	2,24,843
TOTAL EQUITY & LIABILITIES		89,53,167	91,16,053
The accompanying notes form an integral part of the financial statements		0	0

In terms of our report attached.

For, Jigar Shah & Associates

Chartered Accountants

(FRN : 128263W)

On behalf of the Board of Directors

Charms Industries Limited

CA Jigar M Shah
Proprietor

Shivkumar R
Chauhan
Managing
Director
(DIN:00841729)

Harshad S
Gandhi
Director
(DIN:01056779)

Mem . No. : 075778

Date : 30.07.2020

Place: AHMEDABAD

Biren J. Thaker
Chief Financial
Officer

Dileep Panchal
Company
Secretary &
Compliance
Officer

CHARMS INDUSTRIES LIMITED						
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020						
	PARTICULARS	Note No.	As at 31/03/20		As at 31/03/19	
			Rs.	Rs.	Rs.	Rs.
I	Revenue from operations:	15				
	Sale of Products		5,09,78,062	-	5,60,21,470	
	Sale of Services			-	-	
	Other Operating Revenues		22,211		-	
	Less: Excise Duty		-		-	
				5,10,00,273		5,60,21,470
	Increase in Inventory		-	-	-	-
II	Other Income	16		5,63,516		1,76,462
III	Total Revenue (I + II)			5,15,63,789		5,61,97,932
IV	Expenses					
	Cost of Materials Consumed		-			
	Purchases of Stock in Trade		5,05,68,719		5,52,62,796	
	Changes in inventories of finished goods, work in progress and Stock-in-trade	17	-		-	
	Employee benefits expense	18	7,17,195		6,96,058	
	Finance Costs		-		-	
	Depreciation and amortization expense	2	37,499		33,509	
	Other expense	19	12,19,941		7,50,242	
	Total Expense			5,25,43,355		5,67,42,605
V	Profit before exceptional and extraordinary items and tax (III-IV)			(9,79,566)		(5,44,673)

VI	Exceptional Items-Depreciation adjustments			-		-
VII.	Profit before extraordinary items and tax (V-VI)			(9,79,566)		(5,44,673)
VIII	Extraordinary items			-		
IX	Profit before tax (VII-VIII)			(9,79,566)		(5,44,673)
X	Tax expense:					
	(1) Current tax				-	
	(2) Deferred tax		(4,032)		(5,836)	
				(4,032)		(5,836)
XI	Profit/(Loss) for the period from continuing operations (IX - X)			(9,75,534)		(5,38,836)
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)			(9,75,534)		(5,38,836)
XVI	Earnings per equity share:					
	(1) Basic			-0.24		-0.13
	(2) Diluted			-0.24		-0.13
	The accompanying notes form an integral part of the financial statements					

In terms of our report attached.

For, Jigar Shah & Associates
Chartered Accountants
(FRN : 128263W)

On behalf of the Board of Directors
Charms Industries Limited

CA Jigar M Shah
Proprietor

Shivkumar R
Chauhan
Managing
Director
(DIN:00841729)

Harshad S
Gandhi
Director
(DIN:01056779)

Mem . No. : 075778
Date : 30.07.2020
Place: AHMEDABAD

Biren J. Thaker
Chief Financial
Officer

Dileep Panchal
Company
Secretary &
Compliance
Officer

CASH FLOW STATEMENT of Charms industries Limited for the year ended 31st March, 2020

Particulars	31.03.2020		31.03.2019	
	Rs.	Rs.	Rs.	Rs.
<u>Cash Flow From Operating Activity</u>				
-				
Net Profit Before Tax		(9,75,534)		(5,38,836)
<u>Add:-</u>				
Provision for Taxation made during the Current Year	-		-	
Provision for unpaid accounting charges made during the Current Year	15,000			
Provision for unpaid remuneration to CS made during the Current Year	15,000			
Provision for unpaid salary made during the Current Year	28,000			
Any Extra Ordinary Expenses, debited to Profit and Loss Account	-		-	
<u>Less:-</u>				
Refund of Tax	(530)		-	
Any Extra Ordinary Income, credited to Profit and Loss Account	-	57,471	-	-
<u>Add:- Non operating Expenses</u>				
Depreciation on Fixed Assets	37,499		33,509	
Adjustemnt on account of change in deprecion of useful life	-		-	
<u>Less:</u>				
Dividend and Interest Received	-		-	
Rental Income	-	37,499	-	33,509
Operating Profit before charging Working Capital ...		(8,80,564)		(5,05,327)
(Increase)/Decrease in Current Assets (Except Cash Balance)	(12,709)		11,28,254	
Increase/(Decrease) in Current Liabilities	3,54,648	3,41,940	(9,31,362)	1,96,892

Operating Profit after Charging Working Capital ...		(5,38,625)		(3,08,436)
Less: Income Tax paid (Net of Tax Refund received)		(530)		-
Operating Profit before charging Extra Ordinary Items ...		(5,38,095)		(3,08,436)
Add / Less: Extra Ordinary Items		-		-
Net Operating Activities / Net Cash Flow from Operating Activities / Profit from Operation (A)		(5,38,095)		(3,08,436)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>				
Less: Purchase of Fixed Assets including Intangible Assets	(12,600)		-	
Add: Sale of Fixed Assets	-		-	
Add :- Decrease in other non-current assets	-		-	
Add :- Decrease in Non-Current Investments	21,60,000		-	
Less:- Increase in Non-Current Investments	(16,00,000)		(13,70,000)	
Less: Increase in Long term loan and advances	-		-	
Cash from Investing Activities (B)		5,47,400		(13,70,000)
<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>				
Add: Proceeds from Issue of Share or Debenture	-		-	
Add: Proceeds from Long-term Borrowing	7,00,000		-	
Less: Repayment of Long-term Borrowing	(3,00,000)		-	
Add: Increase in Deferred Tax Liabilities	-		-	
Cash from Financing Activities (C)		4,00,000		-
A + B + C		4,09,305		(16,78,436)
<u>Add:-Opening Cash and Cash Equivalents</u>				
Add: Cash and Cash Equivalent	18,67,672		35,46,108	
<u>Closing Cash and Cash Equivalents</u>				

Add: Cash and Cash Equivalent	22,76,978		18,67,672	
		22,76,978		18,67,672
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				

In terms of our report attached.

For, Jigar Shah & Associates

Chartered Accountants

(FRN : 128263W)

On behalf of the Board of Directors

Charms Industries Limited

CA Jigar M Shah
Proprietor

Shivkumar R
Chauhan
Managing
Director
(DIN:00841729)

Harshad S
Gandhi
Director
(DIN:01056779)

Mem . No. : 075778

Date : 30.07.2020

Place: AHMEDABAD

Biren J. Thaker
Chief Financial
Officer

Dileep Panchal
Company
Secretary &
Compliance
Officer

Statement of Changes in Equity for the year ended 31 st March,2020

Particulars	Attributable to the equity holders of the company			
	Reserves and Surplus			Total
	Equity Share Capital	Net Surplus in Statement of P&L	General Reserve	
Balance as at 1st April 2018	4,10,61,000	(3,47,71,646)	31,46,529	94,35,883
Profit for the year	-	(5,38,836)	-	(5,38,836)
Add/(Less): Other comprehensive Income	-	-	-	-
Balance as at 31st March,2019	4,10,61,000	(3,53,10,482)	31,46,529	88,97,047
Profit for the year	-	(9,75,534)	-	(9,75,534)
Add/(Less): Other comprehensive Income	-	-	-	-
Balance as at 31st March,2020	4,10,61,000	(3,62,86,016)	31,46,529	79,21,513

Note: Figures in brackets indicate negative figures.

The previous year's figures have been regrouped and reclassified wherever necessary.

In terms of our report attached.

For, Jigar Shah & Associates

Chartered Accountants

(FRN : 128263W)

On behalf of the Board of Directors

Charms Industries Limited

CA Jigar M Shah
Proprietor

Shivkumar R
Chauhan
Managing
Director
(DIN:00841729)

Harshad S
Gandhi
Director
(DIN:01056779)

Mem . No. : 075778

Date : 30.07.2020

Place: AHMEDABAD

Biren J. Thaker
Chief Financial
Officer

Dileep Panchal
Company
Secretary &
Compliance
Officer

NOTES TO ACCOUNTS

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:

1. 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 is 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 "2" Property, Plant & machinery

NOTES "2" Property, Plant & machinery										(Amount Rs.)	
		GROSS BLOCK				DEPRECIATION				NET BLOCK	
SR. NO.	DESCRIPTI ON OF ASSETS	As on 01 st April, 2019	Addition During the Year	Deduc- tion During the Year	As on 31 st March, 2020	As on 01 st April, 2019	Depre- ciation for the Year	Deduction /Addition Due to adjustment During the Year	As on 31 st March, 2020	As on 31 st March, 2020	As on 31 st March, 2019
1	Office Building	9,99,076	-	-	9,99,076	7,68,929	26,993	-	7,95,922	2,03,154	2,30,147
2	Office Partition	12,340	-	-	12,340	12,340	-	-	12,340	-	-
3	Furniture & Fixtures	9,39,641	-	-	9,39,641	9,20,781	-	-	9,20,781	18,860	18,861
4	Computer	24,59,436	-	-	24,59,436	24,50,519	-	-	24,50,519	8,918	8,918
5	Printer	-	12,600	-	12,600	-	3,990	-	3,990	8,610	-
6	Physical Health Recorders	70,00,000	-	-	70,00,000	67,13,350	-	-	67,13,350	2,86,651	2,86,651
7	Air Conditione	90,847	-	-	90,847	89,328	-	-	89,328	1,519	1,519

	r										
8	Office Equipment	7,950	-	-	7,950	7,950	-	-	7,950	-	-
9	Vehicle	19,20,791	-	-	19,20,791	18,77,759	-	-	18,77,759	43,032	43,032
10	Television	40,000	-	-	40,000	17,032	6,516	-	23,548	16,452	22,968
	Total	1,34,70,081	12,600	-	1,34,82,681	1,28,57,988	37,499	-	1,28,95,486	5,87,195	6,12,095
	Previous Year	1,34,70,081	-	-	1,34,70,081	1,28,24,479	33,509	-	1,28,57,987	6,12,095	6,45,602

Particulars	As at 31/03/2020		As at 31/03/2019	
	Rupees	Rupees	Rupees	Rupees
NOTE `3'				
NON-CURRENT INVESTMENTS				
Investment (Long term) with Mutual Funds		-		6,60,000
In-House Property		33,03,000		33,03,000
Investment in FDR- HDFC		16,00,000		15,00,000
Total Non- Current Investment		49,03,000		54,63,000
NOTE `4'				
INVENTORIES				
Stock of Foreign Currency		2,500		2,500
TOTAL		2,500		2,500
NOTE `5'				
CASH AND CASH EQUIVALENTS				
Cash on Hand		91,846		45,772
TOTAL		91,846		45,772
NOTE `6'				
BANK BALANCE				
Balance with Nationalized Banks				
-In Current Accounts		21,85,131		18,21,900
Total		21,85,131		18,21,900

NOTE `7'				
OTHER CURRENT ASSETS				
Advances recoverable in cash all kind(TDS)		10,208		5,706
Interest Accrued but not due_FDR				15,930
Interest Receivable_Loans		2,500		2,500
Other Loans & Advancements		11,70,787		11,46,650
TOTAL		11,83,495		11,70,786
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 Shareholders having 5% or more				

Shares (In Nos)				
Name Of Shareholders	In Nos	In %	In Nos	In %
1. Shivkumar R Chauhan	9,68,540	24	9,68,540	24
NOTE `9'				
OTHER EQUITY				
Profit and Loss Account	(3,53,10,482)		(3,47,71,646)	
Add: Loss of the year	(9,75,534)		(5,38,836)	
		(3,62,86,017)		(3,53,10,482)
Capial Reserve		31,46,529		31,46,529
TOTAL		(3,31,39,488)		(3,21,63,953)
NOTE '10'				
BORROWINGS				
Unsecured loan		4,00,000		-
TOTAL		4,00,000		
NOTE `11'				
TRADE PAYABLES				
For Expenses		4,64,808		1,85,958
TOTAL		4,64,808		1,85,958
NOTE `12'				
OTHER CURRENT LIABILITIES				
GST Payable		79,830		-
TOTAL		79,830		-
NOTE `13'				
PROVISIONS				
Unpaid accounting charges		15,000		-
Unpaid remuneration to CS		15,000		-

Unpaid salary		28,000		-
TOTAL		58,000		-
NOTE `14'				
Liability for Current Tax				
TDS Payable		38,885		38,885
TOTAL		38,885		38,885
NOTE `15'				
REVENUE FROM OPERATION				
Revenue from operation		5,09,78,062		5,60,21,470
TOTAL		5,09,78,062		5,60,21,470
NOTE `16'				
OTHER INCOME				
Interest/ Dividend/ Mis.Income		5,63,516		1,76,462
TOTAL		5,63,516		1,76,462
NOTE `17'				
Stock Decreased /(Increased) by				
Opening Stock		2,500		2,500
Less : Closing Stock		2,500		2,500
TOTAL		-		-
NOTE `18'				
EMPLOYEE BENEFITS EXPENSES				
Salaries, Wages, Bonus etc.		4,17,195		3,96,058
Managing Director		3,00,000		3,00,000
TOTAL		7,17,195		6,96,058

NOTE `19'				
OTHER EXPENSES				
To Auditors				
- Audit fees		29,500		33,850
-Tax Audit fees		17,700		15,000
Accounting Charges		30,000		-
Electricity Charges		27,510		36,240
Rent,Rates and Taxes				58,170
Vehicles Expenses		1,13,875		1,33,183
Advertisement Exp.		6,300		17,850
Expenses of A.G.M				-
Bank Charges		39,645		1,521
Legal fees and Expenses		6,09,980		3,37,211
Professional Charges		1,76,800		-
Administrative Exp.				81,391
Printing & Stationery Exp.		5,961		3,925
Telephone Exp.		16,412		20,901
Office Exp.		1,45,414		-
Donation		-		11,000
Kasar		844		-
TOTAL		12,19,941		7,50,242

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	47,200	48,850
Other Professional Fees	1,76,800	NIL

- 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.

5. 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.
6. Ind As-19: 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.
7. Estimated amount of contracts remaining to be executed on capital account and not provided for Nil (P.Y. Nil)
- | | 2019-20 | 2018-19 |
|---|----------------|----------------|
| 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 Indian Accounting Standard-24 (Ind AS-24) | | |

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/-
2	Charms Forex Private Limited	Unsecured Loan received	4,00,000/-

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Accounting for Taxes on Income (Ind AS-12)

Deferred Tax Assets/ Liability are provided to the extent there is reasonable certainty that these would be realized in future, in accordance with Indian Accounting Standard AS-12 issued by the Institute of Chartered Accountants of India.

17. Details of Earnings per Shares (Ind AS-33):

S.No.	Particulars	2019-20	2018-19
1.	No. of Equity Shares of Rs.10/- each	4106100	4106100
2.	Net Profit After Tax	(975534)	(538836)
3.	Basic and diluted earnings per Shares	(0.24)	(0.13)

18. Ind AS-36: 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.
21. The company has made TDS default. It has not paid the tax deducted at source to the government within the stipulated time frame and in some payments it has not deducted tax at source where it was bound to do so.