

**DATE: 28/08/2021**

To  
BSE Ltd.  
Floor 25, P. J. Towers  
Dalal Street,  
Mumbai - 400 001

**SUB.: Notice of the 29<sup>th</sup> Annual General Meeting and Annual Report of the  
Company for the financial year 2020-21  
Scrip Code: 531327**

Dear Sir,

We would like to inform you that the 29<sup>th</sup> Annual General Meeting ("AGM") of the Company will be held on Monday, 27<sup>th</sup> September, 2021 at 12:00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India

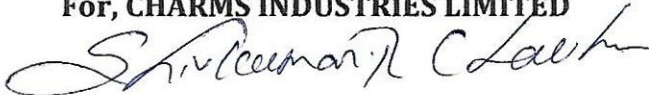
Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of Annual General Meeting ("AGM") for the financial year 2020-21 which is being sent through electronic mode to the Members..

Kindly take the above information on your record.

Thanking You,

Yours faithfully,

**For, CHARMS INDUSTRIES LIMITED**



**SHIVKUMAR RAGHUNANDAN CHAUHAN  
MANAGING DIRECTOR  
(DIN: 00841729)**

## **NOTICE**

**NOTICE** is hereby given that the **29<sup>th</sup>Annual General Meeting of Charms Industries Limited will be held on Monday, 27<sup>th</sup> day of September, 2021 at 12.00P.M.** 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 31<sup>st</sup> March 2021 and the Reports of the Board of Directors and Auditors thereon.**
- 2. To appoint Director in place of Mr. Nehal Chauhan (DIN-02901331), who retires by rotation and being eligible, offers herself for re-appointment as a Director of the Company.**
- 3. To appoint M/s Ashit N. Shah & Co., as statutory auditor of the company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, as amended from time to time, M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad (FRN.: 100624W), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 29<sup>th</sup> Annual General Meeting (AGM) till the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2024, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

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

**SPECIAL BUSINESS:**

- 4. Reappointment of Mr. Shivkumar Chauhan (DIN: 00841729) as a Managing Director of the Company for further period of 3 (three) years.**

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

**“RESOLVED THAT** on recommendation of Nomination and Remuneration Committee and pursuant to Section 196, 197, 188 and 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and the Articles of Association of the Company, the consent of the members

of the Company be and is hereby accorded for appointment of Mr. Shivkumar Chauhan (DIN: 00841729) as a Managing Director of the Company for further period of three (3) years with effect from 15<sup>th</sup> June, 2021, as well as the payment of salary and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Shivkumar Chauhan (DIN: 00841729) shall not exceed the overall ceiling of the total managerial remuneration as provided under Schedule V and Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Mr. Shivkumar Chauhan as a Managing Director of the Company, the remuneration payable to him shall be in accordance with limit prescribed in section II of Part II of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto and to decide breakup of the remuneration within the above said maximum permissible limit.”

**For and on behalf of the Board**

**Sd/-**

**Harsad Shantilal Gandhi**

**Place: Ahmedabad**

**Date: 09/08/2021**

**Chairman & Director  
(DIN: 01056779)**

**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 dispensed 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. 16 and 17 and available at the Company's website <http://www.charmsindustries.co.in>.
2. In continuation of this Ministry's General Circular No. 20/2020, dated 05<sup>th</sup> May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.
3. The helpline number regarding any query / assistance for participation in the AGM through VC/OAVM is 1800225533.
4. 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.
5. 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.
6. 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.
7. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars, the Notice of AGM along with Annual Report 2020-21 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 2020-21 has been uploaded on the website of the Company at [www.charmsindustries.co.in](http://www.charmsindustries.co.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](http://www.bseindia.com).
8. The Register of members and share transfer books of the Company will remain closed from Monday, 20<sup>th</sup> September, 2021 to Monday, 27<sup>th</sup> September, 2021 (both days inclusive) for the purpose of Annual General Meeting.
9. Members seeking any information with regard to accounts are requested to write to the Company at least 7 days before the meeting so as to enable the management to keep the information ready.

- 10.** 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.
- 11.** 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.
- 12.** 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.
- 13.** 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.
- 14.** 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. Monday, 20<sup>th</sup> September, 2021, 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 dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Monday, 20<sup>th</sup> 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 Friday, 24<sup>th</sup>September, 2021 at 10.00 a.m. and ends on Sunday, 26<sup>th</sup>September, 2021 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.Monday, 20<sup>th</sup>September, 2021 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.Monday, 20<sup>th</sup>September, 2021.
- vi. The Company has appointed CS DeveshKhandelwal, Practicing 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.

**15. 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 scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to charmsltd@yahoo.com
- b) Members holding shares in Demat mode: please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card)by email to charmsltd@yahoo.com

**16. The instructions for shareholders for remote voting are as under:**

- i. The voting period begins on Friday, 24<sup>th</sup>September, 2021 at 10.00 a.m. and ends on Sunday, 26<sup>th</sup> September, 2021 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e.Monday, 20<sup>th</sup>September, 2021 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. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.
- iv. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.



- v. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- vi. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders  | Login Method  |
|---|---|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | <p>Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi/Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer/ Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/Easi">https://web.cdslindia.com/myeasi./Registration/Easi</a> Registration.</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN</p> |

|   |  |
|---|--|
|   | <p>No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</p>  |
| Individual Shareholders holding securities in demat mode with <b>NSDL</b> | <p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” “Portal” or click at</p> |



|   |   |
|---|---|
|   | <p><a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>   |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| <b>Login type</b>   | <b>Helpdesk details</b>  |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30   |

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

|   | <b>For Members holding shares in DematForm and Physical Form</b>   |
|---|--|
| <b>PAN</b>  | <ul style="list-style-type: none"> <li>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>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.</li> </ul> |
| <b>Dividend Bank Details OR Date of Birth (DOB)</b> | <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>  |

- xi. After entering these details appropriately, click on “SUBMIT” tab.
- xii. 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.

- xiii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiv. Click on the EVSN of the Company – CHARMS INDUSTRIES LIMITED on which you choose to vote.
- xv. 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.
- xvi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xvii. 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.
- xviii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xix. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xx. 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.
- xxi. 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.
- xxii. 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 022-23058542/43.

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](mailto:helpdesk.evoting@cdslindia.com) or call 022-23058542/43.

**17.** 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.

**18.** The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.charmsindustries.co.in](http://www.charmsindustries.co.in) within three days of the passing of the Resolutions at the 29<sup>th</sup> Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

**19.** 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](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 atleast (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.
- 20.** 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**For and on behalf of the Board**

**Sd/-**

**HarsadShantilal Gandhi**  
**Chairman & Director**  
**(DIN: 01056779)**

**Place: Ahmedabad**  
**Date: 09/08/2021**

**Details of Directors Seeking Appointment / Re-Appointment As  
Required Under Regulation 36 of the SEBI (Listing Obligations and  
Disclosure Requirements) Regulations 2015**

|  |  |   |
|--|--|---|
| <b>NAME OF DIRECTORS</b>   | <b>Mr. Nehal Shivkumar Chauhan<br/>(Din:02901331)</b>                                  | <b>Mr. Shivkumar Chauhan<br/>(DIN:00841729)</b>                                   |
| <b>Age /Date of Birth</b>  | 09/05/1970   | 01/07/1958  |
| <b>Date of Appointment</b>   | 06/04/2015   | 18/09/1993  |
| <b>Qualification and experience in specific functional areas</b>           | H.S.C.   | B.A and having more than 25 years' of experience of management and administration |
| <b>Directorship held in other companies*</b>                               | NIL  | NIL   |
| <b>Membership / chairmanships of committees in other Public companies*</b> | NIL  | NIL   |
| <b>Number of Shares held in the Company</b>                                | 31923  | 968540  |
| <b>Relationship of the Directors Inter se</b>                              | Relative spouse) of Mr. Shivkumar R. Chauhan Relative (Mother) of Mr. Parth S. Chauhan | Relative spouse) of Mrs. Nehal Chauhan Relative (Father) of Mr. Parth S. Chauhan  |

\*Pvt. Companies excluded

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

**HarsadShantilal Gandhi  
Chairman & Director  
(DIN: 01056779)**

**Date: 09/08/2021  
Place: Ahmedabad**



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

### **Item No. 3**

M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad were appointed by the board of directors of the company in their meeting held on 25/12/2021 due to casual vacancy caused by resignation of M/s Jigar Shah & Associates. The said appointment was later confirmed by the members of the company through postal ballot dated 25/12/2021.

M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad holds office as statutory auditor till this Annual General meeting. The Board is of view that they shall be appointed as statutory auditor of the company for the next four years in order to count one term of five consecutive years.

M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad shall hold office as statutory auditor from the conclusion of 29<sup>th</sup> Annual general meeting till the conclusion of 33<sup>rd</sup> Annual general meeting. M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

The Board recommends passing of resolution as set out in Item No 3 of this notice. None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

### **Item No. 4**

Looking to contribution of Mr. Shivkumar Chauhan, the Board of Directors and nomination and remuneration committee are of opinion to re-appoint Mr. Shivkumar Chauhan (DIN: 00841729) as Managing Director of the Company w.e.f. 15<sup>th</sup> June, 2021 for a period of three years, subject to approval of the shareholders. The main terms and conditions of appointment of the above Managing Director, are furnished below: -

#### **I. PERIOD:**

For a period of 3 years from 15<sup>th</sup> June, 2021.

#### **II. SALARY:**

Up to Rs. 1,00,000/- (Rupees One Lakh) per month which is eligible for revision from time to time.

#### **III. Perquisites:**

The Managing Director shall be entitled to all the perquisites listed herein below in addition to the salary mentioned above;

- i. Medical Re-imbursement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, nursing charges and domiciliary charges for self and for family.
- ii. Leave Travel Concession: For self and family every year incurred in accordance with the rules of the Company.
- iii. Club Fees: Fees of clubs, subject to a maximum of three clubs.

- iv. Personal Accident Insurance/Group Life Insurance: Premium not to exceed Rs.25000/- per annum.
- v. Provident Fund/Pension: Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961. Contribution to Pension Fund will be paid on basic salary and commission.
- vi. Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act and to the extent not taxable under the Income Tax law.
- vii. Use of Car with Driver: The Company shall provide a car with driver for business and personal use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased/ rented to, the Chairman & Managing Director for business and personal use.
- viii. Telephone facility at residence: Telephone facility shall be provided at the residence. All personal long distance calls shall be billed by the Company to the Chairman & Managing Director.

#### IV. DUTIES:

Subject to the superintendence, direction, and control of the Board of Directors of the Company, the Chairman & Managing Director shall be entrusted with substantial power of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.

#### V. TERMINATION:

Managing Director may be removed from his office for gross negligence, breach of duty or trust if a special Resolution to that effect is passed by the Company in its General Meeting. The Managing Director may resign from his office by giving 30 days' Notice to the Company.

#### VI. COMPENSATION:

In the event of termination of office of Chairman & Managing Director takes place before the expiration of tenure thereof, Managing Director of the Company shall be entitled to receive compensation from the Company for loss of office to extent and subject to limitation as provided under Section 202 of the Companies Act, 2013.

#### VII. OTHER TERMS AND CONDITIONS:

- a) In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.
- b) "Family" means the spouse and dependent children of Mr. Shivkumar Chauhan.
- c) Leave with full pay and allowances shall be allowed as per the Company's rules.
- d) Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.
- e) No sitting fees shall be paid to the Managing Director for attending the meetings of the Board of Directors or Committees thereof.

f) The perquisites as listed in para (III) above shall be valued as per the Income Tax Rules, 1962, as may be applicable.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 4 of the Notice for the reappointment of Mr. Shivkumar Chauhan (DIN: 00841729).

A Statement containing the following information as per section II of Part II of Schedule V of the Companies Act, 2013.

|    |  |   |              |             |
|----|--|---|--------------|-------------|
| 1. | Nature of industry   | RBI registered full-fledged Money changer                                     |              |             |
| 2. | Date or expected date of commencement of commercial production   | The Company is already in existence and it started its activities since 1992. |              |             |
| 3. | In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | N.A   |              |             |
| 4. | Financial Performance based on given indicators  | Financial Parameters  | 2020-21      | 2019-20     |
|    |  | Total revenue   | 3.75 lacs    | 510.00 lacs |
|    |  | Net profit after tax  | (28.21 lacs) | (9.75 lacs) |
| 5. | Foreign Investments or collaborations,if any.  | N.A.  |              |             |

## II. Information about the appointees:

| Sr. no. | Particulars   | Mr. Shivkumar Chauhan  |
|---------|---|--|
| 1.      | Background details  | Mr. Shivkumar Chauhan is a graduate in Arts however he is having deep knowledge and vast experience in the field of finance. He looks after the Company's management and administration.   |
| 2.      | Past Remuneration   | Rs.3,00,000/- p.a.   |
| 3.      | Recognition or awards   | N.A  |
| 4.      | Job profile and his suitability   | He is having more than 25 years' experience and looking after in the field of finance, management and execution and cost analysis.   |
| 5.      | Remuneration Proposed   | Upto Rs.1,50,000/- (Rupees One lac Fifty thousand only)  |
| 6.      | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | The prevalent levels of remuneration in industry are higher. Taking into consideration his involvement, responsibility and contribution being made by Mr. Shivkumar Chauhan, the proposed remuneration is reasonable and in line with the remuneration levels in the industry across the Country |

|    |  |     |
|----|--|-----|
| 7. | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any. | N.A |
|----|--|-----|

**III. Other Information:**

|  |   |
|--|---|
| Reason of loss or inadequate profits                               | The Company is striving hard to earn sufficient profits however due to current market situation and high operating expenses, the company is unable to earn adequate profits.  |
| Steps taken or proposed to be taken for improvement                | As the Company is full pledge money changer and the tourism business are badly affected due to Covid -19, the board is exploring various other option for business expansion. |
| Expected increase in productivity and profits in measurable terms. | N.A.  |

Brief profile of Mr. Shivkumar Chauhan (DIN: 00841729) in terms of Regulation 36 (3) of the Listing Regulations is forming part of this notice.

Mr. Shivkumar Chauhan (DIN: 00841729) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Except Mr. Shivkumar Chauhan (DIN: 00841729), Mrs. Nehalben Shivkumar Chauhan (DIN:02901331) and Mr. Parth Shivkumar Chauhan (07571829), none of the Director of the Company and his relatives are concerned or interested in this resolution.

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

**Date: 09/08/2021**  
**Place: Ahmedabad**

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

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

**29<sup>th</sup>**  
**ANNUAL REPORT**  
**2020-21**  
**CHARMS INDUSTRIES LIMITED**

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

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

**COMPANY SECRETARY AND COMPLIANCE  
OFFICER**

**DILEEP PANCHAL**

**BANKERS**

- **INDIAN OVERSEAS BANK**
- **ICICI BANK**
- **DEVELOPMENT CREDIT BANK**

**REGISTERED OFFICE**

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

**STATUTORY AUDITOR**

**M/S. Ashit N. Shah & Co.**  
**Chartered Accountants**  
**Ahmedabad**

**SECRETARIAL AUDITOR**

**M/S. BRAJESH GUPTA & ASSOCIATES**  
**Company Secretaries,**

**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,

The fiscal year 2020-21 was eventful in more ways than one. During FY 2020-21, India was impacted by the spread of the COVID-19 pandemic. To contain its spread, India announced a nationwide lockdown. This led to a slowdown in our operations during the first quarter of FY 2020-21.

During these challenging times, your Company prioritised the health and safety of employees, protected the interests of stakeholders and strictly aligned itself with government guidelines to minimise impact on operations. As the period being challenging, your Company has suffered badly in this pandemic. The business operations of the company decreased to a great extent. However, we are optimistic about Company's future growth and development. We have undertaken several strategic initiatives to drive improvement across operating parameters and create a more efficient and sustainable business framework.

I would like to extend my heartfelt gratitude to all the medical professionals and care givers, who are tirelessly engaged in making the world a safer place. I must also thank our valued shareholders, employees and other stakeholders for their continued support for our commitment to build a sustainable business.

Warm regards,

**Shivkumar Chauhan**  
**Managing Director**  
**(DIN-00841729)**

## **NOTICE**

**NOTICE** is hereby given that the **29<sup>th</sup>Annual General Meeting of Charms Industries Limited will be held on Monday, 27<sup>th</sup> day of September, 2021 at 12.00P.M.** 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 31<sup>st</sup> March 2021 and the Reports of the Board of Directors and Auditors thereon.**
- 2. To appoint Director in place of Mr. Nehal Chauhan (DIN-02901331), who retires by rotation and being eligible, offers herself for re-appointment as a Director of the Company.**
- 3. To appoint M/s Ashit N. Shah & Co., as statutory auditor of the company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, as amended from time to time, M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad (FRN.: 100624W), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 29<sup>th</sup> Annual General Meeting (AGM) till the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2024, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

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

**SPECIAL BUSINESS:**

- 4. Reappointment of Mr. Shivkumar Chauhan (DIN: 00841729) as a Managing Director of the Company for further period of 3 (three) years.**

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

**“RESOLVED THAT** on recommendation of Nomination and Remuneration Committee and pursuant to Section 196, 197, 188 and 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and the Articles of Association of the Company, the consent of the members

of the Company be and is hereby accorded for appointment of Mr. Shivkumar Chauhan (DIN: 00841729) as a Managing Director of the Company for further period of three (3) years with effect from 15<sup>th</sup> June, 2021, as well as the payment of salary and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Shivkumar Chauhan (DIN: 00841729) shall not exceed the overall ceiling of the total managerial remuneration as provided under Schedule V and Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Mr. Shivkumar Chauhan as a Managing Director of the Company, the remuneration payable to him shall be in accordance with limit prescribed in section II of Part II of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto and to decide breakup of the remuneration within the above said maximum permissible limit.”

**For and on behalf of the Board**

**Sd/-**

**Harsad Shantilal Gandhi**

**Place: Ahmedabad**

**Date: 09/08/2021**

**Chairman & Director  
(DIN: 01056779)**

**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 dispensed 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. 16 and 17 and available at the Company's website <http://www.charmsindustries.co.in>.
2. In continuation of this Ministry's General Circular No. 20/2020, dated 05<sup>th</sup> May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.
3. The helpline number regarding any query / assistance for participation in the AGM through VC/OAVM is 1800225533.
4. 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.
5. 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.
6. 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.
7. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars, the Notice of AGM along with Annual Report 2020-21 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 2020-21 has been uploaded on the website of the Company at [www.charmsindustries.co.in](http://www.charmsindustries.co.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](http://www.bseindia.com).
8. The Register of members and share transfer books of the Company will remain closed from Monday, 20<sup>th</sup> September, 2021 to Monday, 27<sup>th</sup> September, 2021 (both days inclusive) for the purpose of Annual General Meeting.
9. Members seeking any information with regard to accounts are requested to write to the Company at least 7 days before the meeting so as to enable the management to keep the information ready.

- 10.** 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.
- 11.** 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.
- 12.** 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.
- 13.** 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.
- 14.** 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. Monday, 20<sup>th</sup> September, 2021, 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 dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Monday, 20<sup>th</sup> 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 Friday, 24<sup>th</sup>September, 2021 at 10.00 a.m. and ends on Sunday, 26<sup>th</sup>September, 2021 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.Monday, 20<sup>th</sup>September, 2021 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.Monday, 20<sup>th</sup>September, 2021.
- vi. The Company has appointed CS DeveshKhandelwal, Practicing 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.

**15. 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 scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to charmsltd@yahoo.com
- b) Members holding shares in Demat mode: please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card)by email to charmsltd@yahoo.com

**16. The instructions for shareholders for remote voting are as under:**

- i. The voting period begins on Friday, 24<sup>th</sup>September, 2021 at 10.00 a.m. and ends on Sunday, 26<sup>th</sup> September, 2021 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e.Monday, 20<sup>th</sup>September, 2021 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. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.
- iv. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

- v. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- vi. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders  | Login Method  |
|---|---|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | <p>Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi/Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer/ Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/Easi">https://web.cdslindia.com/myeasi./Registration/Easi</a> Registration.</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN</p> |

|   |  |
|---|--|
|   | <p>No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</p>  |
| Individual Shareholders holding securities in demat mode with <b>NSDL</b> | <p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” “Portal” or click at</p> |

|   |   |
|---|---|
|   | <p><a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>   |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| <b>Login type</b>   | <b>Helpdesk details</b>  |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30   |

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

|   | <b>For Members holding shares in DematForm and Physical Form</b>   |
|---|--|
| <b>PAN</b>  | <ul style="list-style-type: none"> <li>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>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.</li> </ul> |
| <b>Dividend Bank Details OR Date of Birth (DOB)</b> | <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>  |

- xi. After entering these details appropriately, click on “SUBMIT” tab.
- xii. 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.
- xiii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - xiv. Click on the EVSN of the Company – CHARMS INDUSTRIES LIMITED on which you choose to vote.
  - xv. 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.
  - xvi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - xvii. 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.
  - xviii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - xix. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
  - xx. 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.
  - xxi. 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.
  - xxii. 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 022-23058542/43.

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](mailto:helpdesk.evoting@cdslindia.com) or call 022-23058542/43.

**17.** 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.

**18.** The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.charmsindustries.co.in](http://www.charmsindustries.co.in) within three days of the passing of the Resolutions at the 29<sup>th</sup> Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

**19.** 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](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 atleast (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.
- 20.** 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**For and on behalf of the Board**

**Sd/-**

**HarsadShantilal Gandhi**  
**Chairman & Director**  
**(DIN: 01056779)**

**Place: Ahmedabad**

**Date: 09/08/2021**

**Details of Directors Seeking Appointment / Re-Appointment As  
Required Under Regulation 36 of the SEBI (Listing Obligations and  
Disclosure Requirements) Regulations 2015**

|  |  |   |
|--|--|---|
| <b>NAME OF DIRECTORS</b>   | <b>Mr. Nehal Shivkumar Chauhan<br/>(Din:02901331)</b>                                  | <b>Mr. Shivkumar Chauhan<br/>(DIN:00841729)</b>                                   |
| <b>Age /Date of Birth</b>  | 09/05/1970   | 01/07/1958  |
| <b>Date of Appointment</b>   | 06/04/2015   | 18/09/1993  |
| <b>Qualification and experience in specific functional areas</b>           | H.S.C.   | B.A and having more than 25 years' of experience of management and administration |
| <b>Directorship held in other companies*</b>                               | NIL  | NIL   |
| <b>Membership / chairmanships of committees in other Public companies*</b> | NIL  | NIL   |
| <b>Number of Shares held in the Company</b>                                | 31923  | 968540  |
| <b>Relationship of the Directors Inter se</b>                              | Relative spouse) of Mr. Shivkumar R. Chauhan Relative (Mother) of Mr. Parth S. Chauhan | Relative spouse) of Mrs. Nehal Chauhan Relative (Father) of Mr. Parth S. Chauhan  |

\*Pvt. Companies excluded

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

**HarsadShantilal Gandhi  
Chairman & Director  
(DIN: 01056779)**

**Date: 09/08/2021  
Place: Ahmedabad**

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

### **Item No. 3**

M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad were appointed by the board of directors of the company in their meeting held on 25/12/2021 due to casual vacancy caused by resignation of M/s Jigar Shah & Associates. The said appointment was later confirmed by the members of the company through postal ballot dated 25/12/2021.

M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad holds office as statutory auditor till this Annual General meeting. The Board is of view that they shall be appointed as statutory auditor of the company for the next four years in order to count one term of five consecutive years.

M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad shall hold office as statutory auditor from the conclusion of 29<sup>th</sup> Annual general meeting till the conclusion of 33<sup>rd</sup> Annual general meeting. M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

The Board recommends passing of resolution as set out in Item No 3 of this notice. None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

### **Item No. 4**

Looking to contribution of Mr. Shivkumar Chauhan, the Board of Directors and nomination and remuneration committee are of opinion to re-appoint Mr. Shivkumar Chauhan (DIN: 00841729) as Managing Director of the Company w.e.f. 15<sup>th</sup> June, 2021 for a period of three years, subject to approval of the shareholders. The main terms and conditions of appointment of the above Managing Director, are furnished below: -

#### **I. PERIOD:**

For a period of 3 years from 15<sup>th</sup> June, 2021.

#### **II. SALARY:**

Up to Rs. 1,00,000/- (Rupees One Lakh) per month which is eligible for revision from time to time.

#### **III. Perquisites:**

The Managing Director shall be entitled to all the perquisites listed herein below in addition to the salary mentioned above;

- i. Medical Re-imbursement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, nursing charges and domiciliary charges for self and for family.
- ii. Leave Travel Concession: For self and family every year incurred in accordance with the rules of the Company.
- iii. Club Fees: Fees of clubs, subject to a maximum of three clubs.

- iv. Personal Accident Insurance/Group Life Insurance: Premium not to exceed Rs.25000/- per annum.
- v. Provident Fund/Pension: Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961. Contribution to Pension Fund will be paid on basic salary and commission.
- vi. Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act and to the extent not taxable under the Income Tax law.
- vii. Use of Car with Driver: The Company shall provide a car with driver for business and personal use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased/ rented to, the Chairman & Managing Director for business and personal use.
- viii. Telephone facility at residence: Telephone facility shall be provided at the residence. All personal long distance calls shall be billed by the Company to the Chairman & Managing Director.

#### IV. DUTIES:

Subject to the superintendence, direction, and control of the Board of Directors of the Company, the Chairman & Managing Director shall be entrusted with substantial power of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.

#### V. TERMINATION:

Managing Director may be removed from his office for gross negligence, breach of duty or trust if a special Resolution to that effect is passed by the Company in its General Meeting. The Managing Director may resign from his office by giving 30 days' Notice to the Company.

#### VI. COMPENSATION:

In the event of termination of office of Chairman & Managing Director takes place before the expiration of tenure thereof, Managing Director of the Company shall be entitled to receive compensation from the Company for loss of office to extent and subject to limitation as provided under Section 202 of the Companies Act, 2013.

#### VII. OTHER TERMS AND CONDITIONS:

- a) In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.
- b) "Family" means the spouse and dependent children of Mr. Shivkumar Chauhan.
- c) Leave with full pay and allowances shall be allowed as per the Company's rules.
- d) Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.
- e) No sitting fees shall be paid to the Managing Director for attending the meetings of the Board of Directors or Committees thereof.

f) The perquisites as listed in para (III) above shall be valued as per the Income Tax Rules, 1962, as may be applicable.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 4 of the Notice for the reappointment of Mr. Shivkumar Chauhan (DIN: 00841729).

A Statement containing the following information as per section II of Part II of Schedule V of the Companies Act, 2013.

|    |  |   |              |             |
|----|--|---|--------------|-------------|
| 1. | Nature of industry   | RBI registered full-fledged Money changer                                     |              |             |
| 2. | Date or expected date of commencement of commercial production   | The Company is already in existence and it started its activities since 1992. |              |             |
| 3. | In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | N.A   |              |             |
| 4. | Financial Performance based on given indicators  | Financial Parameters  | 2020-21      | 2019-20     |
|    |  | Total revenue   | 3.75 lacs    | 510.00 lacs |
|    |  | Net profit after tax  | (28.21 lacs) | (9.75 lacs) |
| 5. | Foreign Investments or collaborations,if any.  | N.A.  |              |             |

## II. Information about the appointees:

| Sr. no. | Particulars   | Mr. Shivkumar Chauhan  |
|---------|---|--|
| 1.      | Background details  | Mr. Shivkumar Chauhan is a graduate in Arts however he is having deep knowledge and vast experience in the field of finance. He looks after the Company's management and administration.   |
| 2.      | Past Remuneration   | Rs.3,00,000/- p.a.   |
| 3.      | Recognition or awards   | N.A  |
| 4.      | Job profile and his suitability   | He is having more than 25 years' experience and looking after in the field of finance, management and execution and cost analysis.   |
| 5.      | Remuneration Proposed   | Upto Rs.1,50,000/- (Rupees One lac Fifty thousand only)  |
| 6.      | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | The prevalent levels of remuneration in industry are higher. Taking into consideration his involvement, responsibility and contribution being made by Mr. Shivkumar Chauhan, the proposed remuneration is reasonable and in line with the remuneration levels in the industry across the Country |

|    |  |     |
|----|--|-----|
| 7. | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any. | N.A |
|----|--|-----|

**III. Other Information:**

|  |   |
|--|---|
| Reason of loss or inadequate profits                               | The Company is striving hard to earn sufficient profits however due to current market situation and high operating expenses, the company is unable to earn adequate profits.  |
| Steps taken or proposed to be taken for improvement                | As the Company is full pledge money changer and the tourism business are badly affected due to Covid -19, the board is exploring various other option for business expansion. |
| Expected increase in productivity and profits in measurable terms. | N.A.  |

Brief profile of Mr. Shivkumar Chauhan (DIN: 00841729) in terms of Regulation 36 (3) of the Listing Regulations is forming part of this notice.

Mr. Shivkumar Chauhan (DIN: 00841729) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Except Mr. Shivkumar Chauhan (DIN: 00841729), Mrs. Nehalben Shivkumar Chauhan (DIN:02901331) and Mr. Parth Shivkumar Chauhan (07571829), none of the Director of the Company and his relatives are concerned or interested in this resolution.

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

**Date: 09/08/2021**  
**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 29<sup>th</sup> Annual Report and the Audited Statement of Accounts for the year ended March 31, 2021.

#### 1. FINANCIAL RESULTS

| Particulars                              | For the year ended March 31, 2021 (Rs in lakh) | For the year ended March 31, 2020 (Rs in lakh) |
|--|--|--|
| Total Income including exceptional items | 5.91   | 515.64   |
| Profit / (Loss) Before Depreciation      | 27.94  | (9.47)   |
| Less : Depreciation                      | 0.37   | 0.37   |
| Profit / (Loss) Before Tax               | <b>(27.57)</b>                                 | <b>(9.80)</b>                                  |
| Less : Income Tax                        | -  | -  |
| Less : Deferred Tax                      | 0.64   | (0.04)   |
| Profit / (Loss) After Tax                | <b>(28.21)</b>                                 | <b>( 5.38)</b>                                 |

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 31<sup>st</sup> March, 2021, the Board of Directors has not recommended 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. However, the Company has altered main object clause of the



memorandum of association in order to initiate new business activities in the upcoming financial year 2021-22.

### **8. POSTAL BALLOT**

Pursuant to section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) made there under), your Company passed the following resolution through postal ballot as per the details below:

The alteration in main object clause of memorandum of association

Date of Postal Ballot Notice: 22/03/2021

Date of Declaration of Result: 30/04/2021

Voting Period: 31/03/2021 to 29/04/2021

Date of Approval: 30/04/2021

The appointment of statutory auditor due to casual vacancy

Date of Postal Ballot Notice: 25/12/2020

Date of Declaration of Result: 06/02/2021

Voting Period: 07/01/2021 to 05/02/2021

Date of Approval: 06/02/2021

### **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     | 8                         | 8                             |
| Harsad Shantilal Gandhi    | Chairman & Director | Independent            | 8                         | 8                             |
| Parth Shivkumar Chauhan    | Director            | Promoter Non-Executive | 8                         | 8                             |
| Nishit Madhavbhai Rupapara | Director            | Independent            | 8                         | 8                             |
| Nehal Shivkumar Chauhan    | Director            | Promoter Non-Executive | 8                         | 8                             |

#### **B. Retirement by rotation:**

In accordance with the provisions of the Articles of Association of the Company and Companies Act, 2013, Mrs. Nehal Shivkumar Chauhan (DIN-02901331) 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 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 Eight (8) times on 01/06/2020, 30/07/2020, 27/08/2020, 15/09/2020, 06/11/2020, 25/12/2020, 13/02/2021 and 22/03/2021 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 "Annexure1" 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 | 5                  | 5        |
| Mr. Nishit M. Rupapara   | Independent and Non-Executive  | Member   | 5                  | 5        |
| Mr. Shivkumar R. Chauhan | Promoter and Managing Director | Member   | 5                  | 5        |

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, 5(five) meeting of the committee was held on 01<sup>st</sup> June 2020, 30<sup>th</sup> July 2020, 15<sup>th</sup> September, 2020, 06<sup>th</sup> November, 2020, and 13<sup>th</sup> February, 2021. 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, 2 (Two) meeting of the committee was held on 27<sup>th</sup> August, 2020 and 06<sup>th</sup> November, 2020.

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-         | Chairman |

|                             |                                |        |
|-----------------------------|--------------------------------|--------|
|                             | Executive                      |        |
| 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 31<sup>st</sup> March, 2021 are NIL. Mr. Dileep Panchal is the Company Secretary and Compliance Officer of the Company for the above purpose.

#### Meetings:

The Committee duly met 02 (Two) times on 27<sup>th</sup> August, 2020 and 13<sup>th</sup> February, 2021.

#### 12. INDEPENDENT DIRECTORS MEETING:

The Independent Directors of the Company met during the year on 27<sup>th</sup> August, 2020 and 13<sup>th</sup> February, 2021 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. Ashit N. Shah & Co., Chartered Accountants,

Ahmedabad (FRN.:100624W) Chartered Accountants, were appointed as Auditors to fill casual vacancy due to resignation of previous auditor and hold office till this Annual General meeting. Accordingly, the Board recommends their re-appointment as statutory auditor for a period of four year(s) at the 29<sup>th</sup> Annual General Meeting to be held on 27<sup>th</sup> September, 2021 to hold office till the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2024.

#### **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, has appointed Mr. Praful N. Shah & Co., Chartered Accountant, as an Internal Auditor of the Company for the financial year 2020-21.

#### **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 31<sup>st</sup> March, 2021. Secretarial Audit Report issued by Mr. Brajesh Gupta, Company Secretary in Practice For the period ended on 31<sup>st</sup> March 2021. 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 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 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.

#### **14. COMPANY SECRETARY:**

Mr. Dileep Panchal is appointed 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.co.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. The company has paid annual listing fees to the Stock Exchange for the year 2020-21, 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/-**

**HarsadShantilal Gandhi**

**Chairman & Director**

**(DIN: 01056779)**

**Place: Ahmedabad**

**Date: 09/08/2021**



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

As on the financial year ended on 31/03/2021

[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<br><br>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<br>A-802 Samudra Complex,<br>Near Klassic Gold Hotel Off<br>C G Road Navrangpura,<br>Ahmedabad- 380009<br>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                            | 100                                |

**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**

| 0<br>Shareholders                                       | No. of Shares held at the beginning of the year<br>(01/04/2020) |             |                |                   | No. of Shares held at the end of the year<br>(31/03/2021) |             |                |                   | % Change during the year |
|---|---|-------------|----------------|-------------------|---|-------------|----------------|-------------------|--------------------------|
|   | Demat   | Physical    | Total          | % of Total Shares | Demat   | Physical    | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>                                     |   |             |                |                   |   |             |                |                   |                          |
| (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...   |   |             |                |                   |   |             |                |                   |                          |
| <b>Sub-total (A) (1):-</b>                              | <b>995623</b>   | <b>4840</b> | <b>1000463</b> | <b>24.37</b>      | <b>995623</b>   | <b>4840</b> | <b>1000463</b> | <b>24.37</b>      | <b>0.00</b>              |
| <b>(2) Foreign</b>                                      |   |             |                |                   |   |             |                |                   |                          |
| a) NRIs-Individuals                                     | -   | -           | -              | -                 | -   | -           | -              | -                 | -                        |
| b) Other-Individuals                                    | -   | -           | -              | -                 | -   | -           | -              | -                 | -                        |
| c) Bodies Corp.   | -   | -           | -              | -                 | -   | -           | -              | -                 | -                        |
| d) Banks/ FI  | -   | -           | -              | -                 | -   | -           | -              | -                 | -                        |
| e) Any Other....  | -   | -           | -              | -                 | -   | -           | -              | -                 | -                        |
| <b>Sub-total (A) (2):-</b>                              | <b>-</b>  | <b>-</b>    | <b>-</b>       | <b>-</b>          | <b>-</b>  | <b>-</b>    | <b>-</b>       | <b>-</b>          | <b>-</b>                 |
| <b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b> | <b>995623</b>   | <b>4840</b> | <b>1000463</b> | <b>24.37</b>      | <b>995623</b>   | <b>4840</b> | <b>1000463</b> | <b>24.37</b>      | <b>0.00</b>              |
| <b>B. Public Shareholding</b>                           |   |             |                |                   |   |             |                |                   |                          |
| <b>1. Institutions</b>                                  |   |             |                |                   |   |             |                |                   |                          |
| 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)   | -              | -             | -              | -            | -              | -             | -              | -            | -             |
| <b>Sub-total (B)(1):-</b>   | -              | -             | -              | -            | -              | -             | -              | -            | -             |
| <b>2. Non-Institutions</b>  |                |               |                |              |                |               |                |              |               |
| a) Bodies Corp.   |                |               |                |              |                |               |                |              |               |
| i) Indian   | 99269          | 15900         | 115169         | 2.80         | 119769         | 15900         | 135669         | 3.30         | 0.50          |
| ii) Overseas  | -              | -             | -              | -            | -              | -             | -              | -            | -             |
| b) Individuals  | -              | -             | -              | -            | -              | -             | -              | -            | -             |
| i) Individual shareholders holding nominal share capital upto Rs. 1lakh         | 1019342        | 609600        | 1628942        | 39.67        | 1009079        | 609600        | 1618679        | 39.42        | (0.25)        |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh | 925756         | 204100        | 1129856        | 27.52        | 916817         | 204100        | 1120917        | 27.30        | (0.22)        |
| c) Others (specify)   |                |               |                |              |                |               |                |              |               |
| i) Hindu Undivided Family   | 158401         | 0             | 158401         | 3.86         | 158151         | 0             | 158151         | 3.85         | (0.01)        |
| ii) Non Resident Repatriates  | 63             | 70000         | 70063          | 1.71         | 63             | 70000         | 70063          | 1.71         | 0.00          |
| iii) Non Resident Non Repatriates   | 0              | 0             | 0              | 0.00         | 0              | 0             | 0              | 0            | 0.00          |
| iv) Clearing Members  | 3206           | 0             | 3206           | 0.08         | 2158           | 0             | 2158           | 0.05         | (0.03)        |
| <b>Sub-total (B)(2):-</b>   | <b>2206037</b> | <b>899600</b> | <b>3105637</b> | <b>75.63</b> | <b>2206037</b> | <b>899600</b> | <b>3105637</b> | <b>75.63</b> | <b>(0.00)</b> |
|   |                |               |                |              |                |               |                |              |               |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>                             | <b>2206037</b> | <b>889600</b> | <b>3105637</b> | <b>75.63</b> | <b>2206037</b> | <b>899600</b> | <b>3105637</b> | <b>75.63</b> | <b>(0.00)</b> |
| C. Shares held by Custodian for GDRs & ADRs                                     | -              | -             | -              | -            | -              | -             | -              | -            | -             |
| <b>Grand Total (A+B+C)</b>  | <b>3201660</b> | <b>904440</b> | <b>4106100</b> | <b>100</b>   | <b>3201660</b> | <b>904440</b> | <b>4106100</b> | <b>100</b>   | <b>(0.00)</b> |

(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 | % change in shareholding during the year |
| 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                                     |
|        | <b>Total</b>         | <b>100463</b>                             | <b>24.36</b>                     | <b>0.00</b>                                     | <b>1000463</b>                      | <b>24.36</b>                     | <b>0.00</b>                                      | <b>0.00</b>                              |

(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                          |
| <b>TOTAL</b> |                      | <b>1000463</b>  | <b>24.36</b>                  | <b>0.00</b>                       | <b>100463</b>                           | <b>24.36</b>                  |

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

| SR NO | Name         | Shareholding  |                               | Date        | Increase/ Decrease in Shareholding | Cumulative Shareholding during the year |                               |
|-------|--------------|---|-------------------------------|-------------|------------------------------------|---|-------------------------------|
|       |              | No. of Shares At the Beginning (30/03/2020)/ end of the year (31/03/2021) | % total Shares of the Company |             |                                    | No of Shares                            | % total Shares of the Company |
| 1     | BABULAL JAIN | 108295  | 2.64                          | 31-Mar-2020 | 0                                  | 108295                                  | 2.64                          |
|       |              |   | 0.00                          | 30-Nov-2020 | -108295                            | 0                                       | 0.00                          |
|       |              |   | 2.64                          | 04-Dec-2020 | 108295                             | 108295                                  | 2.64                          |
|       |              |   | 0.00                          | 30-Jan-2021 | -108295                            | 0                                       | 0.00                          |
|       |              |   | 2.64                          | 05-Feb-2021 | 108295                             | 108295                                  | 2.64                          |
|       |              | 108295  | 2.64                          | 31-Mar-2021 | 0                                  | 108295                                  | 2.64                          |

|   |  |       |      |             |         |        |      |
|---|--|-------|------|-------------|---------|--------|------|
| 2 | REEMA BHAVIN SHAH                        | 95265 | 2.32 | 31-Mar-2020 | 0       | 95265  | 2.37 |
|   |  |       | 6.96 | 30-Oct-2020 | 190530  | 285795 | 6.96 |
|   |  |       | 2.32 | 06-Nov-2020 | -190530 | 95265  | 2.32 |
|   |  | 95265 | 2.32 | 31-Mar-2021 | 0       | 95265  | 2.32 |
| 3 | PRATIK RAJENDRABHAI GANDHI               | 70500 | 1.72 | 31-Mar-2020 | 0       | 70500  | 1.72 |
|   |  |       | 5.15 | 30-Oct-2020 | 141000  | 211500 | 5.15 |
|   |  |       | 1.72 | 06-Nov-2020 | -141000 | 70500  | 1.72 |
|   |  |       | 1.70 | 05-Mar-2021 | -500    | 70000  | 1.70 |
|   |  | 70000 | 1.70 | 31-Mar-2021 | 0       | 70000  | 1.70 |
| 4 | PARESH POPATLAL JOSHI                    | 53324 | 1.30 | 31-Mar-2020 | 0       | 53324  | 1.30 |
|   |  |       | 1.30 | 11-Sep-2020 | 200     | 53524  | 1.30 |
|   |  |       | 1.31 | 18-Sep-2020 | 200     | 53724  | 1.31 |
|   |  |       | 3.93 | 30-Oct-2020 | 107808  | 161532 | 3.93 |
|   |  |       | 1.31 | 06-Nov-2020 | -107688 | 53844  | 1.31 |
|   |  |       | 1.32 | 11-Dec-2020 | 185     | 54029  | 1.32 |
|   |  |       | 1.32 | 15-Jan-2021 | 36      | 54065  | 1.32 |
|   |  | 54065 | 1.32 | 31-Mar-2021 | 0       | 54065  | 1.32 |
| 5 | BINA SHAH FLECK                          | 50000 | 1.22 | 31-Mar-2020 | 0       | 50000  | 1.22 |
|   |  |       | 0.00 | 30-Nov-2020 | -50000  | 0      | 0.00 |
|   |  |       | 1.22 | 04-Dec-2020 | 50000   | 50000  | 1.22 |
|   |  |       | 0.00 | 30-Jan-2021 | -50000  | 0      | 0.00 |
|   |  |       | 1.22 | 05-Feb-2021 | 50000   | 50000  | 1.22 |
|   |  | 50000 | 1.22 | 31-Mar-2021 | 0       | 50000  | 1.22 |
| 6 | LAXMIPAT DUDHERIA                        | 48307 | 1.18 | 31-Mar-2020 | 0       | 48307  | 1.18 |
|   |  |       | 3.53 | 30-Oct-2020 | 96614   | 144921 | 3.53 |
|   |  |       | 1.18 | 06-Nov-2020 | -96614  | 48307  | 1.18 |
|   |  | 48307 | 1.18 | 31-Mar-2021 | 0       | 48307  | 1.18 |
| 7 | BHAVINBHAI VINODCHANDRA SHAH             | 47883 | 1.17 | 31-Mar-2020 | 0       | 47883  | 1.17 |
|   |  |       | 0.00 | 30-Nov-2020 | -47883  | 0      | 0.00 |
|   |  |       | 1.17 | 04-Dec-2020 | 47883   | 47883  | 1.17 |
|   |  |       | 0.00 | 30-Jan-2021 | -47883  | 0      | 0.00 |
|   |  |       | 1.17 | 05-Feb-2021 | 47883   | 47883  | 1.17 |
|   |  | 47883 | 1.17 | 31-Mar-2021 | 0       | 47883  | 1.17 |
| 8 | VIPUL RAJENDRABHAI GANDHI                | 45000 | 1.10 | 31-Mar-2020 | 0       | 45000  | 1.10 |
|   |  |       | 3.29 | 30-Oct-2020 | 90000   | 135000 | 3.29 |
|   |  |       | 1.10 | 06-Nov-2020 | -90000  | 45000  | 1.10 |
|   |  | 45000 | 1.10 | 31-Mar-2021 | 0       | 45000  | 1.10 |
| 9 | NATIONAL STOCK EXCHANGE OF INDIA LIMITED | 40536 | 0.99 | 31-Mar-2020 | 0       | 40536  | 0.99 |
|   |  |       | 0.00 | 30-Nov-2020 | -40536  | 0      | 0.00 |

|    |                              |       |      |             |        |       |      |
|----|------------------------------|-------|------|-------------|--------|-------|------|
|    |                              |       | 0.99 | 04-Dec-2020 | 40536  | 40536 | 0.99 |
|    |                              |       | 0.00 | 30-Jan-2021 | -40536 | 0     | 0.00 |
|    |                              |       | 0.99 | 05-Feb-2021 | 40536  | 40536 | 0.99 |
|    |                              | 40536 | 0.99 | 31-Mar-2021 | 0      | 40536 | 0.99 |
| 10 | PRATIK RAJENDRA GANDHI (HUF) | 40000 | 0.97 | 31-Mar-2020 | 0      | 40000 | 0.97 |
|    |                              |       | 0.00 | 30-Nov-2020 | -40000 | 0     | 0.00 |
|    |                              |       | 0.97 | 04-Dec-2020 | 40000  | 40000 | 0.97 |
|    |                              |       | 0.00 | 30-Jan-2021 | -40000 | 0     | 0.00 |
|    |                              |       | 0.97 | 05-Feb-2021 | 40000  | 40000 | 0.97 |
|    |                              | 40000 | 0.97 | 31-Mar-2021 | 0      | 40000 | 0.97 |

## (v) 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 |
|        | <b>For Each of the Directors and KMP</b> |   |                                  |   |                                  |
| 1.     | <b>Shivkumar R. Chauhan</b>              |   |                                  |   |                                  |
|        | 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.     | <b>Nehal S. Chauhan</b>                  |   |                                  |   |                                  |
|        | 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.     | <b>HarsadShantilal Gandhi</b>            |   |                                  |   |                                  |
|        | 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.     | <b>Nishit M. Rupapara</b>                |   |                                  |   |                                  |
|        | 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      | <b>ParthShivkumar Chauhan</b>            |   |                                  |   |                                  |
|        | 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    |
| <b>7</b>  | <b>Biren J. Thaker</b>       |      |      |      |      |
|           | 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 |
| <b>8.</b> | <b>Dileep Panchal</b>        |      |      |      |      |
|           | 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<br>excluding<br>deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|--|--|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |  |                    |          |                       |
| i) Principal Amount  | -                                      | 400000             | -        | -                     |
| ii) Interest due but not paid                              | -                                      | -                  | -        | -                     |
| iii) Interest accrued but not due                          | -                                      | -                  | -        | -                     |
| <b>Total (i+ii+iii)</b>                                    | -                                      | -                  | -        | -                     |
| <b>Change in Indebtedness during the financial year</b>    | -                                      | -                  | -        | -                     |
| * Addition   | -                                      | -                  | -        | -                     |
| * Reduction  | -                                      | 400000             | -        | -                     |
| Net Change   | -                                      | -                  | -        | -                     |
| <b>Indebtedness at the end of the financial year</b>       | -                                      | -                  | -        | -                     |
| i) Principal Amount  | -                                      | -                  | -        | -                     |
| ii) Interest due but not paid                              | -                                      | -                  | -        | -                     |
| iii) Interest accrued but not due                          | -                                      | -                  | -        | -                     |
| <b>Total (i+ii+iii)</b>                                    | -                                      | 0                  | -        | -                     |

**(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/WTD/ Manager | Total |
|---------|-----------------------------|-------------------------|-------|
|---------|-----------------------------|-------------------------|-------|

|    |   |                      | Amount    |
|----|---|----------------------|-----------|
|    |   | Shivkumar R. Chauhan |           |
| 1. | Gross salary  | 300000               | 300000    |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                      | 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<br>- as % of profit<br>- Others, specify...                              | -<br>-<br>-          | 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     | Rs.100000/- per meeting | Rs.100000/- per 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<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 |   | 1,20,000 | 1,20,000 |
| 2. | Stock Option   | - | -        |          |
| 3. | Sweat Equity   | - | -        |          |
| 4. | Commission<br>- as % of profit<br>- Others specify...  | - | -        |          |
| 5. | Total  | - | 1,20,000 | 1,20,000 |

**(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                 |                              |                   | NIL  |  |                            |                                    |
| B.DIRECTORS                 |                              |                   |  |  |                            |                                    |
| Penalty                     |                              |                   |  |  |                            |                                    |
| Punishment                  |                              |                   |  |  |                            |                                    |
| Compounding                 |                              |                   |  |  |                            |                                    |
| C.OTHER OFFICERS IN DEFAULT |                              |                   |  |  |                            |                                    |
| Penalty                     |                              |                   |  |  |                            |                                    |
| Punishment                  |                              |                   |  |  |                            |                                    |
| Compounding                 |                              |                   |  |  |                            |                                    |

For and on behalf of the Board

Sd/-

Harsad Shantilal Gandhi

Place: Ahmedabad Chairman &amp; Director

Date: 09/08/2021

(DIN: 01056779)

**“Annexure-2”**

**SECRETARIAL AUDIT REPORT**

**Form No. MR-3**

**For the financial year ended on 31<sup>st</sup> March, 2021**

**[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 31<sup>st</sup> 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 31<sup>st</sup> March, 2020 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 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.**

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

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: A033070C000765373**

**Place: Indore  
Date: 09/08/2021**

**Note: This report is to be read with my 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,**

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: A033070C000765373**

**Place: Indore  
Date: 09/08/2021**

## **“Annexure-3”**

### **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

#### **GENERAL ECONOMY OUTLOOK:**

COVID-19 has delivered an enormous global shock, leading to steep recessions in many countries. The COVID-19 pandemic had a more negative impact on activities in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecasted. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6.5 percentage points lower than in the pre-COVID-19 projections. Many countries have provided large-scale macro-economic support to alleviate the economic blow, which has contributed to a recent stabilization in financial markets. Central banks in advanced economies have cut policy rates and taken other far-reaching steps to provide liquidity and to maintain investor confidence. 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 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.

Also surge in growth of travel and hotel industry shall lead to betterment of company's operations and the company is looking forward for the same.

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.

#### **FINANCIAL PERFORMANCE**

This year had a very bad impact on company's financial as well as operational performance

The Company has incurred Net loss for the year ended 31<sup>st</sup> March 2021 of Rs.28,21,528/- as compared to previous year loss of Rs.9,75,534/- . Further there has been no significant changes (i.e. change of 25% or more as compared to the

immediately previous financial year) in key financial ratios of the Company.

**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: 09/08/2021**



**“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                   | 2.28 times  |
| II.     | The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year  | MD                   | 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 <sup>st</sup> March, 2021.  | 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 |             |

Place: Ahmedabad  
Date: 09/08/2021

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

**INDEPENDENT AUDITOR'S REPORT****To**

**The Members of  
Charms Industries Limited  
Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **CHARMS INDUSTRIES LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss (including the Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

**Information Other than the Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine

that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. 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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (d) On the basis of written representations received from the directors of the Company as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (e) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. 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 give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order

**For, Ashit N Shah & Co**  
**Chartered Accountants**  
**FRN: 100624W**

**Ashit N. Shah**  
**(Proprietor)**  
**Membership No. 036857**  
**UDIN: 21036857AAAAEL9842**

**Place of Signature: Ahmedabad**  
**Date: 24/06/2021**

## **Annexure-A to Independent Auditors' Report**

(Referred to in paragraph 1(f)] under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

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

We have audited the Internal Financial Controls over financial reporting of Charms Industries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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**

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 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.

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.

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**

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**

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**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Ashit N Shah & Co**  
**Chartered Accountants**  
**FRN: 100624W**

**Ashit N. Shah**  
**(Proprietor)**

**Place of Signature: Ahmedabad**  
**Date: 24/06/2021**

**Membership No. 036857**  
**UDIN: 21036857AAAAEL9842**

## Annexure 'B' to the Independent Auditor's Report

With reference to the "Annexure B" referred to in the Independent Auditor's Report to the members of the Company on the Ind AS Financial statements for the year ended 31st March, 2021, we report the following:

(Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

i. In respect of its fixed assets:

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

(b) As explained to us, the fixed assets have been physically verified by the management during the year and 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) Based on our audit procedures and on the basis of information and explanations given to us by the management, the title deeds of immovable properties are held in the name of the Company.

ii. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

iii. During the year the Company has not given any loans secured or unsecured to the companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence Clause (iii) (a), (b) and (c) are not applicable to the Company.

iv. Based on our audit procedures and on the basis of information and explanations given to us by the management, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security have been complied with.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014, with regard to the deposits accepted are not applicable to the Company. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the company.

vi. The Company is not required to maintain cost records under sub-section (1) of section 148 of Companies Act, 2013. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.

vii. In respect of statutory dues:



- (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Goods and Service tax, Duty of customs, Duty of excise, Value added tax and Cess as at 31st March, 2021, which have not been deposited with the appropriate authorities on account of any dispute.
- viii. Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to the financial institution, banks, Government or debenture holders as at the balance sheet date.
- ix. In our opinion and according to the information and explanation given to us, neither any moneys raised by Initial public offer/ further public offer (including debt instruments) nor any term loans has been availed by the company, hence purpose of question of proper utilization does not arise.
- x. Based on the audit procedures performed and representation obtained from management we report that, no case of material fraud by the Company or on the Company by its officer or employee has been noticed or reported for the year under audit.
- xi. Based on our audit procedures and on the basis of information and explanations given to us by the management, 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, therefore; the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii. Based on our audit procedures and on the basis of information and explanations given to us by the management, all transactions with the 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, as required by the applicable accounting standards;
- xiv. Based on our audit procedures and on the basis of information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the company.

xv. Based on our audit procedures and on the basis of information and explanations given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore the provisions of section 192 of Companies act, 2013 are not applicable to the company

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Ashit N Shah & Co  
Chartered Accountants  
FRN: 100624W**

**Place of Signature: Ahmedabad  
Date: 24/06/2021**

**Ashit Shah  
(Proprietor)  
Membership No: 036857  
UDIN: 21036857AAAAEL9842**

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2021**

Amount in INR

|          | Particulars   |    | As at 31/03/21   | As at 31/03/20   |
|----------|---|----|------------------|------------------|
|          | <b><u>ASSETS</u></b>                                      |    |                  |                  |
| <b>1</b> | <b>Non-current assets</b>                                 |    |                  |                  |
|          | (a) Property, Plant & machinery                           | 4  | 5,49,696         | 5,87,195         |
|          | (b) Capital work-in-progress                              |    |                  |                  |
|          | (c) Intangible Assets                                     |    |                  |                  |
|          | (d) Financial Assets                                      |    |                  |                  |
|          | i) Investment   | 5  | 33,03,000        | 33,03,000        |
|          | ii) Other Financial Assets                                |    | -                | -                |
|          | (e) Other non-current assets                              |    | -                | -                |
|          | <b>Total Non-Current Assets</b>                           |    | <b>38,52,696</b> | <b>38,90,195</b> |
| <b>2</b> | <b>Current assets</b>                                     |    |                  |                  |
|          | (a) Inventories   | 6  | -                | 2,500            |
|          | (b) Financial Assets                                      |    |                  |                  |
|          | (i) Investments   |    |                  |                  |
|          | (ii) Trade receivables                                    |    | -                | -                |
|          | (ii) Cash and cash equivalents                            | 7  | 22,77,252        | 22,76,977        |
|          | (iii) Bank Balance other than (ii) above                  | 8  | -                | 16,00,000        |
|          | (c) Other current assets                                  | 9  | 7,668            | 11,83,495        |
|          | <b>Total Current Assets</b>                               |    | <b>22,84,920</b> | <b>50,62,972</b> |
|          | <b>TOTAL ASSETS</b>                                       |    | <b>61,37,616</b> | <b>89,53,167</b> |
|          | <b><u>EQUITY AND LIABILITIES</u></b>                      |    |                  |                  |
|          | <b><u>EQUITY</u></b>                                      |    |                  |                  |
|          | (a) Equity Share Capital                                  | 10 | 4,10,61,000      | 4,10,61,000      |
|          | (b) Other Equity  | 11 | (3,59,61,016)    | (3,31,39,488)    |
|          | <b>Total equity attributable to owners of the company</b> |    | <b>50,99,984</b> | <b>79,21,512</b> |
|          | <b><u>LIABILITIES</u></b>                                 |    |                  |                  |
|          | <b>(1) Non- current liabilities</b>                       |    |                  |                  |
|          | (a) Financial Liabilities                                 |    |                  |                  |
|          | (i) Borrowings  | 12 | -                | 4,00,000         |
|          | (b) Provisions  |    |                  |                  |
|          | (c) Deferred Tax Liability(Net)                           | 13 | 54,273           | (9,868)          |
|          | <b>Total Non-Current Liabilities</b>                      |    | <b>54,273</b>    | <b>3,90,132</b>  |
|          | <b>(2) Current Liabilities</b>                            |    |                  |                  |
|          | (a) Financial Liabilities                                 |    |                  |                  |
|          | (i) Borrowings  |    | -                | -                |
|          | (ii) Trade payables                                       | 14 | 5,60,910         | 4,64,808         |
|          | (iii) Other Financial Liabilities                         |    |                  |                  |
|          | (b) Other Current Liabilities                             | 15 | 56,700           | 1,18,715         |
|          | (c) Provisions  | 16 | 3,65,750         | 58,000           |
|          | <b>Total Current Liabilities</b>                          |    | <b>9,83,360</b>  | <b>6,41,523</b>  |
|          | <b>TOTAL EQUITY &amp; LIABILITIES</b>                     |    | <b>61,37,616</b> | <b>89,53,167</b> |

**The accompanying notes form an integral part of the financial statements.**

In terms of our report attached.

**For, Ashit N Shah & Co**

Chartered Accountants

(FRN : 100624W)

**Sd/-****Ashit Shah****Proprietor****Mem .No. : 036857****Date : 24/06/2021****Place : AHMEDABAD**

On behalf of the Board of Directors

**For, Charms Industries Limited****Sd/-****Shivkumar R Chauhan****Managing Director****(DIN:00841729)****Sd/-****Biren J. Thaker****Chief Financial Officer****Sd/-****Harshad S Gandhi****Director****(DIN:01056779)****Sd/-****Dileep Panchal****Company Secretary**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

Amount in INR

|      | PARTICULARS   | Note | Year Ended<br>31st March,<br>2021 | Year Ended<br>31st March, 2020 |
|------|---|------|-----------------------------------|--------------------------------|
|      |   |      | Rs.                               | Rs.                            |
| I    | <b>Revenue from operations:</b>   | 17   | 3,75,000                          | 5,10,00,273                    |
| II   | <b>Other Income</b>   | 18   | 2,16,936                          | 5,63,516                       |
| III  | <b>Total Revenue (I + II)</b>   |      | <b>5,91,936</b>                   | <b>5,15,63,789</b>             |
| IV   | <b>Expenses</b>   |      |                                   |                                |
|      | Cost of Materials Consumed  |      | -                                 | -                              |
|      | Purchases of Stock in Trade   |      | 3,71,250                          | 5,05,68,719                    |
|      | Changes in inventories of finished goods, work in progress and Stock-in- trade  | 19   | 2,500                             | -                              |
|      | Employee benefits expense   | 20   | 3,30,000                          | 7,17,195                       |
|      | Finance Costs   |      | -                                 | -                              |
|      | Depreciation and amortization expense   | 4    | 37,500                            | 37,500                         |
|      | Other expense   | 21   | 26,08,072                         | 12,19,941                      |
|      | <b>Total Expense</b>  |      | <b>33,49,322</b>                  | <b>5,25,43,355</b>             |
| V    | <b>Profit before tax (III-IV)</b>   |      | <b>(27,57,386)</b>                | <b>(9,79,566)</b>              |
| VI   | <b>Tax expense:</b>   |      |                                   |                                |
|      | (1) Current tax   |      | -                                 | -                              |
|      | (2) Deferred tax  |      | 64,142                            | (4,032)                        |
|      |   |      | 64,142                            | (4,032)                        |
| VII  | <b>Profit for the period (V -VI)</b>  |      | <b>(28,21,528)</b>                | <b>(9,75,534)</b>              |
| VIII | <b>Other Comprehensive Income</b>   |      |                                   |                                |
|      | A (i) Items that will not be reclassified to profit or loss   |      | -                                 | -                              |
|      | (ii) Income tax relating to items that will not be reclassified to profit or loss   |      | -                                 | -                              |
|      | B (i) Items that will be reclassified to profit or loss   |      | -                                 | -                              |
|      | (ii) Income tax relating to items that will be reclassified to profit or loss   |      | -                                 | -                              |
|      | Sub-total (A+B)   |      | -                                 | -                              |
| IX   | <b>Total Comprehensive Income for the period (VII + VIII) (Comprising Profit and Other Comprehensive Income for the period)</b> |      | <b>(28,21,528)</b>                | <b>(9,75,534)</b>              |
| XVI  | <b>Earnings per equity share:</b>   | 22   |                                   |                                |
|      | (1) Basic   |      | (0.69)                            | (0.24)                         |
|      | (2) Diluted   |      | (0.69)                            | (0.24)                         |

**The accompanying notes form an integral part of the financial statements.**

In terms of our report attached.

**For, Ashit N Shah & Co**

Chartered Accountants

(FRN : 100624W)

**Sd/-****Ashit Shah****Proprietor****Mem .No. : 036857****Date : 24/06/2021****Place : AHMEDABAD**

On behalf of the Board of Directors

**For, Charms Industries Limited****Sd/-****Shivkumar R.****Chauhan****Managing Director****(DIN:00841729)****Sd/-****Biren J. Thaker****Chief Financial Officer****Sd/-****Harshad S Gandhi****Director****(DIN:01056779)****Sd/-****Dileep Panchal****Company Secretary**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

Amount in INR

|           | Particulars   | For the year ended 31st March,<br>2021 Rs. | For the year ended 31st March,<br>2020 Rs. |
|-----------|---|--|--|
| <b>A.</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                            |  |  |
|           | Net Profit Before Tax   | (27,57,386)                                | (9,79,566)                                 |
|           | Adjustment for  |  |  |
|           | Add :   |  |  |
|           | Interest and Finance Charges  | -  | -  |
|           | Depreciation  | 37,500                                     | 37,500                                     |
|           | Less:   |  |  |
|           | Profit on sale of Property, Plant and Equipment                       | -  | -  |
|           |   | <b>37,500</b>                              | <b>37,500</b>                              |
|           | <b>Operating Profit Before Working Capital Changes</b>                | <b>(27,19,886)</b>                         | <b>(9,42,066)</b>                          |
|           | <b>(Increase) / Decrease in Current Assets</b>                        |  |  |
|           | Trade and Other Receivables   | -  | -  |
|           | Inventories   | 2,500                                      | -  |
|           | Loans and advances  | 11,75,827                                  | (12,709)                                   |
|           | <b>Increase / (Decrease) in Current Liabilities</b>                   |  |  |
|           | Trade and Other Payables  | 96,102                                     | 2,78,850                                   |
|           | Other current Liabilities   | 2,45,732                                   | 1,37,830                                   |
|           | <b>Cash Generated From Operations</b>                                 |  |  |
|           | Direct Taxes Paid   | -  | -  |
|           | <b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES (A)</b>      | <b>(11,99,725)</b>                         | <b>(5,38,095)</b>                          |
| <b>B.</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                            |  |  |
|           | Purchase of Property, Plant and Equipment                             | -  | (12,600)                                   |
|           | Proceeds from Investments   | -  | 21,60,000                                  |
|           | Increase/Decrease in deposits   | 16,00,000                                  | 2,21,900                                   |
|           | <b>NET CASH INFLOW / (OUTFLOW ) FROM INVESTING ACTIVITIES (B)</b>     | <b>16,00,000</b>                           | <b>23,69,300</b>                           |
| <b>C.</b> | <b>CASH FLOW USED IN FINANCING ACTIVITIES</b>                         |  |  |
|           | Proceeds from Long Term Borrowings                                    | -  | -  |
|           | Repayment of long Term Borrowings                                     | (4,00,000)                                 | 4,00,000                                   |
|           | <b>NET CASH INFLOW / (OUTFLOW ) FROM FINANCING ACTIVITIES (C)</b>     | <b>(4,00,000)</b>                          | <b>4,00,000</b>                            |
|           | <b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b> | <b>275</b>                                 | <b>22,31,205</b>                           |
|           | <b>Add : Cash and Cash Equivalents balance as at 1st April</b>        | <b>22,76,977</b>                           | <b>45,772</b>                              |
|           | <b>Cash and Cash Equivalents as at 31st March</b>                     | <b>22,77,252</b>                           | <b>22,76,977</b>                           |

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

In terms of our report attached.

**For, Ashit N Shah & Co**

Chartered Accountants

(FRN : 100624W)

Sd/-

Ashit Shah

Proprietor

Mem .No. : 036857

Date : 24/06/2021

Place : AHMEDABAD

On behalf of the Board of Directors

**For, Charms Industries Limited**

Sd/-

Shivkumar R Chauhan

Managing Director

(DIN:00841729)

Sd/-

Biren J. Thaker

Chief Financial Officer

Sd/-

Harshad S Gandhi

Director

(DIN:01056779)

Sd/-

Dileep Panchal

Company Secretary

**Statement of Changes in Equity for the year ended 31 st March,2021**

|  |   |                                 |                 | Amount in INR |
|--|---|---------------------------------|-----------------|---------------|
| Particulars                            | Attributable to the equity holders of the company |                                 |                 | Total         |
|  | Reserves and Surplus                              |                                 | General Reserve |               |
|  | Equity Share Capital                              | Net Surplus in Statement of P&L |                 |               |
| <u>Balance as at 1st April 2019</u>    | -<br>4,10,61,000                                  | (3,53,10,482)                   | 31,46,529       | 88,97,047     |
| Profit for the year                    | -   | (9,75,535)                      | -               | (9,75,535)    |
| Add/(Less): Other comprehensive Income | -   | -                               | -               | -             |
| <u>Balance as at 31st March,2020</u>   | 4,10,61,000                                       | (3,62,86,017)                   | 31,46,529       | 79,21,512     |
| Profit for the year                    | -   | (28,21,528)                     | -               | (28,21,528)   |
| Add/(Less): Other comprehensive Income | -   | -                               | -               | -             |
| <u>Balance as at 31st March,2021</u>   | 4.10.61.000                                       | (3.91.07.545)                   | 31,46,529       | 50,99,984     |

Note: Figures in brakets indicate negative figures.

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

In terms of our report attached.

**For, Ashit N Shah & Co**  
Chartered Accountants  
(FRN : 100624W)

On behalf of the Board of Directors  
**For, Charms Industries Limited**

**Sd/-**  
**Ashit Shah**  
Proprietor  
Mem .No. : 036857  
Date : 24/06/2021  
Place : AHMEDABAD

**Sd/-**  
**Shivkumar R Chauhan**  
Managing Director  
(DIN:00841729)

**Sd/-**  
**Biren J. Thaker**  
Chief Financial Officer

**Sd/-**  
**Harshad S Gandhi**  
Director  
(DIN:01056779)

**Sd/-**  
**Dileep Panchal**  
Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021****Company Overview & Significant Accounting Policies****1. Reporting Entity**

Charms Industries Limited (the 'Company') is a Company domiciled in India, with its registered office situated at 108/8-109, Sampada Complex, Mithakhali six roads, Opp. Harekrishna Complex, Ahmedabad - 380009, Gujarat. The Company has been incorporated under the provisions of Companies Act, 2013. The Company is primarily involved in Money Changer activity. The company has been registered as a Money Changer with the Reserve Bank of India.

**2. Basis of preparation****a. Statement of compliance with Ind AS**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The Company has adopted all the relevant Ind AS and the adoption was carried out in accordance with Ind AS 101, "First Time Adoption of Indian Accounting Standards". The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

**b. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the functional currency.

**Basis of Measurement**

The financial statements have been prepared on the historical cost basis.

**c. Use of Estimates and Judgments:**

In preparing these financial statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

**Estimates:**

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to the accounting estimates are recognized prospectively.

**Judgments:**

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the respective note.

**Assumptions and Estimation Uncertainties:**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the respective note.

**d. Measurement of Fair Values:**

The Company has established control framework with Respect to the measurement of Fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, issued to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's Board of Directors.

**Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the**

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or Liabilities.

Level2-inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the respective note.

**2. Significant Accounting Policies****1. Financial Instruments****A. Financial Assets:****i.) Classification:**

The Company classifies its financial assets in the following measurement categories:

- Those measured at amortized cost and
- Those to be measured subsequently at either 'Fair value through other comprehensive income' (FVTOCI) or 'Fair value through profit or loss' (FVTPL).



The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

- A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL :
  - the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of Principal and interest on the principal amount outstanding.
- A debt investment is measured at FVOCI if it meets both following conditions and is not designated as at FVTPL:
  - the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets are not reclassified subsequent to their initial recognition except if and in the period the Company changes its business model for managing financial assets.

## ii.) Measurement

At initial recognition, the Company measures a financial asset when it becomes a party to the contractual provisions of the instruments and measures at its fair value. Transaction costs are incremental costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

### Subsequent Measurement and Gains and Losses

|                                    |   |
|------------------------------------|---|
| Financial assets at FVTPL          | These assets are subsequently measured at fair value. Net gains including any interest or dividend income, are recognized in profit or loss.  |
| Financial assets at amortized cost | These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss. |

**iii.) De-recognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

**B. Financial Liabilities:****(i) Classification, Subsequent Measurement and Gains and losses**

Financial liabilities are classified as measured at Historical cost. Government of Gujarat, in capacity of the Promoter of the company, provides investment funds in form of interest free loans having specific directions to invest in equity shares of Group Entities of the company in terms of CIC directions. Investment funds, released as loan by GoG, when received for investment in equity are recognized as financial liabilities. There exist an obligation; however, the terms and conditions do not specify that whether the loan is repayable on demand and also fixed repayment schedule is not specified. Considering the said fact it is not possible to value such financial liability at amortized cost

**ii) De-recognition**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.

**C. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**D. Investments in Associates and Subsidiaries**

Investments in associates is carried at cost in the separate financial statements. Subsidiaries are valued at Fair Value.

## 2. Property, Plant and Equipment

### i. Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

### ii. Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method and is recognised in the statement of profit and loss.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

### iv. De recognition

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

## 3. Impairment

### i. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**Measurement of Expected Credit Losses**

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

**ii. Impairment of Non-Financial Assets**

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

**4. Investment Property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

**5. Employee Benefits****i. Short Term Employee Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

**ii. Defined Contribution Plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions in to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are

rendered by employees.

Prepaid contributions are recognized as an asset to the extent that a cash refund or deduction in future payments is available.

### **iii. Defined Benefit Plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount using market yields at the end of reporting period on government bonds.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the Asset Ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

## **6. Provisions (other than Employee Benefits), Contingent Liabilities and Contingent Assets**

A provision is recognized when the Company has a present legal obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. A contingent asset is neither recognized nor disclosed if inflow of economic benefit is probable.

## **7. Recognition of Dividend Income, Interest Income**

Income from dividend is accounted as and when such dividend has been declared and the company's right to receive payment is established.

Interest income is recognized on a time proportion basis, taking in the account the amount outstanding and the rate applicable.

## **8. Income Tax**

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent

that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

**(i) Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to setoff the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

**(ii) Deferred Tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assets and liabilities will be realized simultaneously.

**9. Cash and Cash Equivalents**

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid Investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

**10. Earnings per Share**

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year plus potential equity shares.

**11. Cash Flow Statement**

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

| NOTES 4 Property, Plant & machinery |                           |                    |                          |                           |                    |                    |                           |   |                    | (Amount in INR)  |                  |
|-------------------------------------|---------------------------|--------------------|--------------------------|---------------------------|--------------------|--------------------|---------------------------|---|--------------------|------------------|------------------|
|                                     |                           | GROSS BLOCK        |                          |                           |                    | DEPRECIATION       |                           |   |                    | NET BLOCK        |                  |
| SR. NO.                             | DESCRIPTION OF ASSETS     | As on 01/04/2020   | Addition During the Year | Deduction During the Year | As on 31/03/2021   | As on 01/04/2020   | Depreciation for the Year | Deduction/ Addition due to adjustment During the Year | As on 31/03/2021   | As on 31/03/2021 | As on 31/03/2020 |
| 1                                   | Office Building           | 9,99,076           | -                        | -                         | 9,99,076           | 7,95,922           | 26,992                    | -   | 8,22,914           | 1,76,162         | 2,03,154         |
| 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           | 18,860           |
| 4                                   | Computer                  | 24,59,436          | -                        | -                         | 24,59,436          | 24,50,519          | -                         | -   | 24,50,518          | 8,918            | 8,918            |
| 5                                   | Printer                   | 12,600             | -                        | -                         | 12,600             | 3,990              | 3,988                     | -   | 7,978              | 4,622            | 8,610            |
| 6                                   | Physical Health Recorders | 70,00,000          | -                        | -                         | 70,00,000          | 67,13,350          | -                         | -   | 67,13,349          | 2,86,651         | 2,86,652         |
| 7                                   | Air Conditioner           | 90,847             | -                        | -                         | 90,847             | 89,328             | -                         | -   | 89,328             | 1,519            | 1,519            |
| 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             | 23,548             | 6,520                     | -   | 30,068             | 9,932            | 16,452           |
|                                     | <b>Total</b>              | <b>1,34,82,681</b> | -                        | -                         | <b>1,34,82,681</b> | <b>1,28,95,486</b> | <b>37,500</b>             | -   | <b>1,29,32,985</b> | <b>5,49,696</b>  | <b>5,87,195</b>  |
|                                     | <b>Previous Year</b>      | <b>1,34,82,681</b> | -                        | -                         | <b>1,34,82,681</b> | <b>1,28,57,987</b> | <b>37,499</b>             | -   | <b>1,28,95,486</b> | <b>5,87,195</b>  | <b>6,24,694</b>  |



**Note - 5 Investment**

| Sr. No. | Particulars             | As at 31st March, 2021 Rs. | As at 31st March, 2020 Rs. |
|---------|-------------------------|----------------------------|----------------------------|
|         | Non-current Investments |                            |                            |
|         | In-House Property       | 33,03,000                  | 33,03,000                  |
|         | <b>Total</b>            | <b>33,03,000</b>           | <b>33,03,000</b>           |
|         |                         |                            |                            |

**Note - 6 Inventories**

| Sr. No.  | Particulars               | As at 31st March, 2021 Rs. | As at 31st March, 2020 Rs. |
|----------|---------------------------|----------------------------|----------------------------|
|          |                           |                            |                            |
| <b>1</b> | Stock of Foreign Currency | -                          | 2,500                      |
|          | <b>Total</b>              | <b>-</b>                   | <b>2,500</b>               |
|          |                           |                            |                            |

**Note - 7 Cash & Cash Equivalents**

| Sr. No.  | Particulars         | As at 31st March, 2021 Rs. | As at 31st March, 2020 Rs. |
|----------|---------------------|----------------------------|----------------------------|
| <b>1</b> | Cash on Hand        | 36,846                     | 91,846                     |
| <b>2</b> | Balances with Banks | 22,40,406                  | 21,85,131                  |
|          |                     |                            |                            |
|          | <b>Total</b>        | <b>22,77,252</b>           | <b>22,76,977</b>           |
|          |                     |                            |                            |

**Note - 8 Other Bank Balances**

| Sr. No.  | Particulars  | As at 31st March, 2021 Rs. | As at 31st March, 2020 Rs. |
|----------|--|----------------------------|----------------------------|
| <b>1</b> | Fixed Deposits with Banks  |                            |                            |
|          | (a) Less than 12 months  | -                          | 16,00,000                  |
|          | (b) More than 12 months  | -                          | -                          |
|          |  |                            |                            |
|          | Less : Bank FD for more than 12 months transferred to Other Financial Assets | -                          | -                          |
|          |  |                            |                            |
|          | <b>Total</b>   | <b>-</b>                   | <b>16,00,000</b>           |
|          |  |                            |                            |

**Note - 9 Other Current Assets**

| Sr. No.  | Particulars                             | As at 31st March, 2021 Rs. | As at 31st March, 2020 Rs. |
|----------|---|----------------------------|----------------------------|
| <b>1</b> | Advances other than capital advances    |                            |                            |
|          | (a) Other Advances                      |                            |                            |
|          | (i) Balance with Government Authorities | 7,668                      | 10,208                     |

|          |                              |              |                  |
|----------|------------------------------|--------------|------------------|
|          | (v) Other advances           | -            | 11,70,787        |
| <b>2</b> | Others                       |              |                  |
|          | Interest receivable on loans | -            | 2,500            |
|          | <b>Total</b>                 | <b>7,668</b> | <b>11,83,495</b> |
|          |                              |              |                  |

**Note - 10 Equity Share Capital**

| Sr. No.  | Particulars   | As at 31st March, 2021<br>Rs. | As at 31st March, 2020<br>Rs. |
|----------|---|-------------------------------|-------------------------------|
| <b>1</b> | <b>AUTHORIZED SHARE CAPITAL</b>                           |                               |                               |
|          | 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] |                               |                               |
|          | <b>Total</b>  | <b>4,50,00,000</b>            | <b>4,50,00,000</b>            |
|          | -   | -                             | -                             |
| <b>2</b> | <b>ISSUED , SUBSCRIBED &amp; FULLY PAID UP CAPITAL</b>    |                               |                               |
|          | 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] |                               |                               |
|          | <b>Total</b>  | <b>4,10,61,000</b>            | <b>4,10,61,000</b>            |

**10.1 The reconciliation of the number of Equity Shares outstanding as at 31st March 2021 is set out below :**

| Particulars                                     | As at 31st March, 2021 |             | As at 31st March, 2020 |             |
|---|------------------------|-------------|------------------------|-------------|
|   | No. of shares          | Rs.         | No. of shares          | Rs.         |
| Shares outstanding at the beginning of the year | 41,06,100              | 4,10,61,000 | 41,06,100              | 4,10,61,000 |
| <b>Add:</b> Shares issued during the year       | -                      | -           | -                      | -           |
| Shares outstanding at the end of the year       | 41,06,100              | 4,10,61,000 | 41,06,100              | 4,10,61,000 |

**10.2 Rights, preferences and restrictions attached to Equity Shares**

|  |  |
|--|--|
|  | The company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. |
|--|--|

**10.3 The details of shareholders holding more than 5% shares are set out below**

| Name of the shareholders | As at 31st March, 2021 |              | As at 31st March, 2020 |              |
|--------------------------|------------------------|--------------|------------------------|--------------|
|                          | No. of Shares          | % of holding | No. of Shares          | % of holding |
| Shivkumar R Chauhan      | 9,68,540               | 24%          | 9,68,540               | 24%          |

**Note - 11 Other Equity**

| Sr. No.  | Particulars                        | As at 31st March, 2021<br>Rs. | As at 31st March, 2020<br>Rs. |
|----------|------------------------------------|-------------------------------|-------------------------------|
| <b>A</b> | <b>Retained Earnings</b>           | -                             | -                             |
|          | Balance as per last Financial year | (3,62,86,017)                 | (3,53,10,482)                 |
|          | Add : Profit for the year          | (28,21,528)                   | (9,75,535)                    |
|          | Adjustments as per Ind AS          | -                             | -                             |
|          |                                    | (3,91,07,545)                 | (3,62,86,017)                 |
| <b>B</b> | <b>Capital Reserve</b>             | 31,46,529                     | 31,46,529                     |
|          | <b>Total</b>                       | <b>(3,59,61,016)</b>          | <b>(3,31,39,488)</b>          |

**Note - 12 Borrowings**

| Sr. No. | Particulars    | As at 31st March, 2021<br>Rs. | As at 31st March, 2020<br>Rs. |
|---------|----------------|-------------------------------|-------------------------------|
|         | (a) From Other | -                             | 4,00,000                      |
|         | <b>Total</b>   | <b>-</b>                      | <b>4,00,000</b>               |

**Note - 13 Deferred Tax Liability(Net)**

| Sr. No.     | Particulars  | As at 31st March, 2021<br>Rs. | As at 31st March, 2020<br>Rs. |
|-------------|--|-------------------------------|-------------------------------|
| <b>1</b>    | <b>DEFERRED TAX LIABILITIES :</b>  |                               |                               |
|             | Arising on account of timing difference  |                               |                               |
|             | - Fixed Assets : Impact of difference between Tax Depreciation and Depreciation / amortization charged for the financial reporting | 54,273                        | (9,868)                       |
|             | <b>TOTAL DEFERRED TAX LIABILITIES</b>  | <b>54,273</b>                 | <b>(9,868)</b>                |
|             | <b>Total</b>   | <b>54,273</b>                 | <b>(9,868)</b>                |
| <b>12.1</b> | <b>Reconciliation of deferred tax liabilities(Net):</b>  |                               |                               |
|             | <b>Particulars</b>   | <b>31st March, 2021</b>       | <b>31st March, 2020</b>       |
|             | Opening balance  | (9,868)                       | (5,836)                       |
|             | Tax (income)/expense during the period recognised in profit or loss  | 64,141                        | (4,032)                       |
|             | Tax (income)/expense during the period recognised in other comprehensive income  | -                             | -                             |
|             | Tax (income)/expense during the period recognised directly in other equity   | -                             | -                             |
|             | <b>Closing balance</b>   | <b>54,273</b>                 | <b>(9,868)</b>                |

**Note - 14 Trade Payable**

| Sr. No. | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------|-------------|------------------------|------------------------|
|---------|-------------|------------------------|------------------------|

|  |  |                 |                 |
|--|--|-----------------|-----------------|
|  |  | Rs.             | Rs.             |
|  | <b>Other than Micro, Small and Medium Enterprises*</b> | <b>5,60,910</b> | <b>4,64,808</b> |
|  | <b>Total</b>   | <b>5,60,910</b> | <b>4,64,808</b> |

\* The Company has not received information from the Suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures, if any relating to amounts unpaid as at the balance sheet date together with interest paid or payable as per the requirement under the said Act, have not been made.

**Note - 15 Other Current Liabilities**

| Sr. No. | Particulars                           | As at 31st March, 2021<br>Rs. | As at 31st March, 2020<br>Rs. |
|---------|---------------------------------------|-------------------------------|-------------------------------|
| 1       | Revenue received in Advance           |                               |                               |
| 2       | Current maturities of Long Term Debts |                               |                               |
| 3       | Other Payables*                       | 56,700                        | 1,18,715                      |
|         | <b>Total</b>                          | <b>56,700</b>                 | <b>1,18,715</b>               |
|         | <b>* Includes Statutory Dues</b>      |                               |                               |

**Note - 16 Provisions**

| Sr. No. | Particulars                     | As at 31st March, 2021<br>Rs. | As at 31st March, 2020<br>Rs. |
|---------|---------------------------------|-------------------------------|-------------------------------|
| 1       | Provision for employee benefits |                               |                               |
|         | Unpaid salary                   | 3,00,000                      | 28,000                        |
| 2       | Others                          |                               |                               |
|         | Provision for Expenses          | 65,750                        | 30,000                        |
|         | <b>Total</b>                    | <b>3,65,750</b>               | <b>58,000</b>                 |

**Note: 17 Revenue from Operations**

| Sr. No | PARTICULARS             | Year Ended 31st March, 2021<br>Rs. | Year Ended 31st March, 2020<br>Rs. |
|--------|-------------------------|------------------------------------|------------------------------------|
| 1      | Revenue from operations | 3,75,000                           | 5,10,00,273                        |
|        | <b>Total</b>            | <b>3,75,000</b>                    | <b>5,10,00,273</b>                 |

**Note: 18 Other Income**

| Sr. No | PARTICULARS                  | Year Ended 31st March, 2021<br>Rs. | Year Ended 31st March, 2020<br>Rs. |
|--------|------------------------------|------------------------------------|------------------------------------|
| 1      | Interest Income              | 1,27,545                           | 4,92,223                           |
| 2      | Other Non-Operating Income : |                                    |                                    |

|   | Other Income               | 89,391                                   | 71,293                                   |
|---|----------------------------|--|--|
|   | <b>Total</b>               | <b>2,16,936</b>                          | <b>5,63,516</b>                          |
| <b>Note: 19 Changes in Inventories of Finished Goods, Work-In-Progress And Stock-In-Trade</b> |                            |  |  |
| Sr. No  | PARTICULARS                | Year Ended<br>31st March,<br>2021<br>Rs. | Year Ended<br>31st March,<br>2020<br>Rs. |
|   | Opening Stock              |  |  |
|   | Stock-in-Trade             | 2,500                                    | 2,500                                    |
|   | Total ( A )                | 2,500                                    | 2,500                                    |
|   | Closing Stock              |  |  |
|   | Stock-in-Trade             | -  | 2,500                                    |
|   | Total ( B )                | -  | 2,500                                    |
|   | <b>Total (A-B)</b>         | <b>2,500</b>                             | <b>-</b>                                 |
| <b>Note: 20 Employee Benefits Expense</b>   |                            |  |  |
| Sr. No  | PARTICULARS                | Year Ended<br>31st March,<br>2021<br>Rs. | Year Ended<br>31st March,<br>2020<br>Rs. |
|   | Salary & Wages             | 3,30,000                                 | 7,17,195                                 |
|   | <b>Total</b>               | <b>3,30,000</b>                          | <b>7,17,195</b>                          |
| <b>Note: 21 Other Expenses</b>  |                            |  |  |
| Sr. No  | PARTICULARS                | Year Ended<br>31st March,<br>2021<br>Rs. | Year Ended<br>31st March,<br>2020<br>Rs. |
| <b>1</b>  | Administrative Expense     |  |  |
|   | To Auditors                |  |  |
|   | - Audit fees               | 35,000                                   | 29,500                                   |
|   | -Tax Audit fees            | -  | 17,700                                   |
|   | -Other Professional fees   | 26,100                                   | -  |
|   | Accounting Charges         | 25,500                                   | 30,000                                   |
|   | Electricity Charges        | 27,983                                   | 27,510                                   |
|   | Vehicles Expenses          | 76,641                                   | 1,13,875                                 |
|   | Advertisement Exp.         | 27,050                                   | 6,300                                    |
|   | Bank Charges               | 3,102                                    | 39,645                                   |
|   | Legal fees and Expenses    | 8,70,030                                 | 6,09,980                                 |
|   | Professional Charges       | 2,58,785                                 | 1,76,800                                 |
|   | Printing & Stationery Exp. | 1,290                                    | 5,961                                    |
|   | Telephone Exp.             | 9,141                                    | 16,412                                   |
|   | Office Exp.                | 15,800                                   | 1,45,414                                 |
|   | Property Tax               | 60,864                                   | -  |
|   | Kasar                      | -  | 844                                      |
|   | Advances written off       | 11,70,786                                | -  |
|   | <b>Total</b>               | <b>26,08,072</b>                         | <b>12,19,941</b>                         |

| <b>Note - 22 Earning Per Share</b>   |  |  |  |  |
|--|--|--|--|--|
| <b>Sr. No</b>  | <b>PARTICULARS</b>   | <b>Year Ended 31st March, 2021 Rs.</b> | <b>Year Ended 31st March, 2020 Rs.</b>       |  |
| 1  | Net Profit attributable to the Equity Shareholders (A)                     | (28,21,528)                            | (9,75,534)                                   |  |
| 2  | Weighted average number of Equity Shares outstanding during the period (B) | 41,06,100                              | 41,06,100                                    |  |
| 3  | Nominal value of Equity Shares (Rs.)                                       | 10                                     | 10   |  |
| 4  | Basic/Diluted Earnings per Share (Rs.) (A/B)                               | (0.69)                                 | (0.24)                                       |  |
| <b>Note - 23 Related party disclosures</b>   |  |  |  |  |
| <b>(A) Key management personnel (KMP):</b>   |  |  |  |  |
| <b>Sr. No.</b>   | <b>Name</b>  | <b>Designation</b>                     |  |  |
| 1  | Shivkumar R Chauhan  | Managing Director                      |  |  |
| 2  | Harshad S Gandhi   | Director                               |  |  |
| 3  | Nishit M Rupapara  | Director                               |  |  |
| 4  | Nehalben S Chauhan   | Director                               |  |  |
| 5  | Parth S Chauhan  | Director                               |  |  |
| 6  | Dileep Panchal   | Company Secretary                      |  |  |
| 7  | Biren J Thaker   | CFO                                    |  |  |
| <b>(B) Other related parties:</b>  |  |  |  |  |
| <b>Sr. No.</b>   | <b>Particulars</b>   | <b>Nature of relationship</b>          |  |  |
| 1  | Charms Forex Pvt Ltd   | Entity under same management           |  |  |
| <b>23.1 Disclosures of Transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2021:</b> |  |  |  |  |
|  |  |  |  | <b>In Rs.</b>                                |
| <b>Sr No.</b>  | <b>Key Managerial Personnel</b>  | <b>Nature of transaction</b>           | <b>Year ended March 2021 (Amount in Rs.)</b> | <b>Year ended March 2020 (Amount in Rs.)</b> |
| 1  | Charms Forex Pvt Ltd   | Loan received                          | 3,00,000                                     | 4,00,000                                     |
| 2  | Charms Forex Pvt Ltd   | Loan repaid                            | 7,00,000                                     | -  |
| 3  | Shivkumar R Chauhan  | Remuneration                           | 3,00,000                                     | 3,00,000                                     |
| 4  | Charms Forex Pvt Ltd   | Closing Balance of loan                | -  | 4,00,000                                     |
|  |  |  |  |  |
| <b>23.2 Breakup of compensation paid to key management personnel:</b>  |  |  |  |  |
|  |  |  |  | <b>In Rs.</b>                                |
| <b>Sr. No.</b>   | <b>Particulars</b>   | <b>Key management personnel</b>        | <b>Year ended 31st March, 2021</b>           | <b>Year ended 31st March, 2020</b>           |
| 1  | Short-term employee benefits   | Shivkumar R Chauhan                    | 3,00,000                                     | 3,00,000                                     |

|   |   |  |          |          |
|---|---|--|----------|----------|
|   | Total   |  | 3,00,000 | 3,00,000 |
| 23.3 All transactions during the year with related parties are at arm's length and unsecured. No amount has been recognised as bad or doubtful in respect of transactions with the related parties. |   |  |          |          |
| Note - 24 Operating Segment   |   |  |          |          |
|   | (a) Information about Reportable segment:   |  |          |          |
|   | The company operates mainly in the Money Changer activities are incidental thereto. Hence there is no separate reportable segment.  |  |          |          |
| Note - 25. Contingent Liabilities and Commitments (To the extent not provided for)  |   |  |          |          |
|   | The Company do not have any contingent liabilities and commitments.   |  |          |          |
| Note – 26   |   |  |          |          |
| (A) Financial Risk Management Objectives and Policies   |   |  |          |          |
|   | The Company's principal financial liabilities, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.   |  |          |          |
|   | The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and ensures that Company's financial risks are identified, measured and governed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.   |  |          |          |
| (i) Market Risk   |   |  |          |          |
|   | Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk that affects the Company comprises of one element: Interest rate risk. Financial instruments affected by market risk include loans, borrowings and deposits.   |  |          |          |
| Interest Rate Risk  |   |  |          |          |
|   | Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to short term debt obligations with fixed interest rates.  |  |          |          |
| (ii) Credit Risk  |   |  |          |          |
|   | Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities including deposits with banks and other financial instruments.   |  |          |          |
| Trade Receivables   |   |  |          |          |
|   | Customer credit risk is managed by the Company's policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset disclosed in respective note. The Company does not hold collateral as security. |  |          |          |
| Cash deposits   |   |  |          |          |

|  |   |                               |                               |                               |                              |                         |                |
|--|---|-------------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------|----------------|
|  | Credit risk from balances with banks is managed by the Company in accordance with its policies. These policies are set to minimize concentration of risks and therefore mitigate financial loss through counterparty’s potential failure to make payments.                |                               |                               |                               |                              |                         |                |
| <b>(iii) Liquidity Risk</b>              |   |                               |                               |                               |                              |                         |                |
|  | The Company manages its liquidity risk by using liquidity planning and balancing funds requirement vis-a-vis funds available. Various lines of credit available are used to optimize funding cost and ensuring that adequate funds are available for business operations. |                               |                               |                               |                              |                         |                |
| <b>(B) Capital Risk Management</b>       |   |                               |                               |                               |                              |                         |                |
|  | The Company's objectives when managing capital are to:  |                               |                               |                               |                              |                         |                |
|  | - safeguard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders.  |                               |                               |                               |                              |                         |                |
|  | - maintain an optimal capital structure to reduce the cost of capital.  |                               |                               |                               |                              |                         |                |
|  | The Company monitors capital on the basis of the following debt equity ratio  |                               |                               |                               |                              |                         |                |
|  | Particulars   | As at 31st March, 2021<br>Rs. |                               | As at 31st March, 2020<br>Rs. |                              |                         |                |
|  | Total Debt  | 6,17,610                      |                               | 5,83,523                      |                              |                         |                |
|  | <b>Adjusted net debt</b>  | 6,17,610                      |                               | 5,83,523                      |                              |                         |                |
|  | Total Equity  |                               |                               |                               |                              |                         |                |
|  | <b>Equity</b>   | 4,10,61,000                   |                               | 4,10,61,000                   |                              |                         |                |
|  | Total debt to total equity ratio  | <b>0.02</b>                   |                               | <b>0.01</b>                   |                              |                         |                |
| <b>Note - 27 Financial Instruments :</b> |   |                               |                               |                               |                              |                         |                |
|  | The Company uses the following hierarchy for determining the fair value of financial instruments by valuation technique :   |                               |                               |                               |                              |                         |                |
|  | Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.   |                               |                               |                               |                              |                         |                |
|  | Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.   |                               |                               |                               |                              |                         |                |
|  | Level 3 : Techniques which are inputs have a significant effect on the recorded fair value that are not based on observable market data.  |                               |                               |                               |                              |                         |                |
|  | <b>A. Financial Assets</b>  |                               |                               |                               |                              |                         |                |
|  | <b>In Rs.</b>   |                               |                               |                               |                              |                         |                |
|  | <b>Particulars</b>  | <b>Note</b>                   | <b>Instruments carried at</b> |                               | <b>Total carrying amount</b> | <b>Total Fair Value</b> |                |
|  |   |                               | <b>Fair Value</b>             | <b>Amortized cost</b>         |                              |                         |                |
|  |   |                               | <b>FVTOCI</b>                 | <b>Carrying amount</b>        |                              |                         |                |
|  | <b>As at 31st March 2020</b>  |                               |                               |                               |                              |                         |                |
|  | Investments (Unquoted)  | 5                             | -                             | 33,03,000                     | 33,03,000                    | 33,03,000               | <b>Level 3</b> |
|  | Cash and cash equivalents   | 7                             |                               | 22,76,977                     | 22,76,977                    | 22,76,977               |                |
|  | Bank balances other than above  | 8                             |                               | 16,00,000                     | 16,00,000                    | 16,00,000               |                |
|  | Total   |                               | -                             | <b>71,79,977</b>              | <b>71,79,977</b>             | <b>71,79,977</b>        |                |
|  | <b>As at 31st March 2021</b>  |                               |                               |                               |                              |                         |                |
|  | Investments (Unquoted)  | 5                             | -                             | 33,03,000                     | 33,03,000                    | 33,03,000               | <b>Level 3</b> |
|  | Cash and cash   | 7                             | -                             | 22,77,252                     | 22,77,252                    | 22,77,252               |                |



|  |                                     |             |                               |   |                              |                         |
|--|-------------------------------------|-------------|-------------------------------|---|------------------------------|-------------------------|
|  | equivalents                         |             |                               |   |                              |                         |
|  | Bank balances other than above      | 8           | -                             | -   | -                            | -                       |
|  | <b>Total</b>                        |             |                               | <b>55,80,252</b>  | <b>55,80,252</b>             | <b>55,80,252</b>        |
|  | <b>B. Financial liabilities :</b>   |             |                               |   |                              | <b>In Rs.</b>           |
|  | <b>Particulars</b>                  | <b>Note</b> | <b>Instruments carried at</b> |   | <b>Total carrying amount</b> | <b>Total Fair Value</b> |
|  |                                     |             | <b>Fair Value</b>             | <b>Amortized cost</b>   |                              |                         |
|  |                                     |             | <b>FVTPL</b>                  | <b>Carrying amount</b>  |                              |                         |
|  | <b><u>As at 31st March 2020</u></b> |             |                               |   |                              |                         |
|  | Trade payables                      | 14          | -                             | 4,64,808  | 4,64,808                     | 4,64,808                |
|  |                                     |             | -                             | <b>4,64,808</b>   | <b>4,64,808</b>              | <b>4,64,808</b>         |
|  | <b><u>As at 31st March 2021</u></b> |             |                               |   |                              |                         |
|  | Trade payables                      | 14          | -                             | 5,60,910  | 5,60,910                     | 5,60,910                |
|  | <b>Total</b>                        |             | -                             | <b>5,60,910</b>   | <b>5,60,910</b>              | <b>5,60,910</b>         |
| <b><u>Note – 28</u></b>  |                                     |             |                               |   |                              |                         |
| The Company's operations had to suspend temporarily, due to the Government's directives relating to COVID-19, have since resumed operations, as per the guidelines and norms prescribed by the Government authorities. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial information to the extent determined by it. Having reviewed the underlying information, management believes the impact of the pandemic may not be significant. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic. |                                     |             |                               |   |                              |                         |
| <b>For, Ashit N Shah &amp; Co</b><br>Chartered Accountants<br>(FRN : 100624W)<br><b>Sd/-</b><br><b>Ashit Shah</b><br><b>Proprietor</b><br><b>Mem .No. : 036857</b><br><b>Date : 24/06/2021</b><br><b>Place : AHMEDABAD</b>   |                                     |             |                               | On behalf of the Board of Directors<br><b>For, Charms Industries Limited</b><br><br><b>Sd/-</b><br><b>Shivkumar R Chauhan</b><br><b>Managing Director</b><br><b>(DIN:00841729)</b><br><br><b>Sd/-</b><br><b>Biren J. Thaker</b><br><b>Chief Financial Officer</b> |                              |                         |
|  |                                     |             |                               | <b>Sd/-</b><br><b>Harshad S Gandhi</b><br><b>Director</b><br><b>(DIN:01056779)</b><br><br><b>Sd/-</b><br><b>Dileep Panchal</b><br><b>Company Secretary</b>  |                              |                         |