

**34TH
Annual Report
2025-26**

CHARMS INDUSTRIES LIMITED

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mr. Shivkumar Raghunandan Chauhan
(Managing Director)

Mrs. Nehalben Shivkumar Chauhan
(Non-Executive Director)

Mr. Parth Shivkumar Chauhan
(Executive Director)

Mr. Ashok Mankodi
(Independent Non-Executive Director)

Mr. Dilipkumar Ramprasad Joshi
(Independent Non-Executive Director)

CHIEF FINANCIAL OFFICER

Mr. Paresh Popatlal Joshi (w.e.f. 06 September 2025)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Dileep Panchal

BANKERS

INDIAN OVERSEAS BANK
ICICI BANK
HDFC BANK

REGISTERED OFFICE

108-B/109, Sampada Building, Mithakhali Six Roads,
Opposite Hare Krishna Complex, Behind Kiran
Motors, Ahmedabad- 380009, Gujarat

STATUTORY AUDITOR

M/s. Ashit N. Shah & Co. Chartered Accountants
(FRN. 100624W)

SECRETARIAL AUDITOR

M/s Nisarg Sharma & Associates, Company Secretaries

INTERNAL AUDITOR

Paresh Popatlal Joshi

REGISTRAR AND SHARE TRANSFER AGENT

Bigshare Services Private Limited
Office No. 303, Sun Square Complex, Near Chakradhari
Society Bus Stop, Girish Cold Drinks Cross Road,
Navrangpura, Ahmedabad – 380009, Gujarat

CORPORATE IDENTIFICATION NUMBER

L72900GJ1992PLC017494

Website: www.charmsindustries.co.in

Email: charmsltd@yahoo.com

BSE Scrip Code- 531327

ISIN- INE442C01012

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NOTICE OF THE 34TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting (“AGM”) of the Members of Charms Industries Limited will be held on Wednesday, September 30, 2026 at 01:30 P.M. (IST) at the Registered Office of the Company situated at 108-B/109, Sampada Building, Mithakhali Six Roads, Opposite Hare Krishna Complex, Behind Kiran Motors, Ahmedabad – 380009, Gujarat, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Parth Shivkumar Chauhan (DIN: 07571829), who retires by rotation and, being eligible, offers himself for re-appointment as a Director of the Company.

SPECIAL BUSINESS

3. Appointment of M/s Nisarg Sharma & Associates, Company Secretaries, as Secretarial Auditor of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable Rules made thereunder, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, and pursuant to the appointment approved and recommended by the Board of Directors of the Company at its meeting held on September 2, 2026, approval of the Members be and is hereby accorded to the appointment of M/s Nisarg Sharma & Associates, Company Secretaries, a Peer Reviewed Firm holding Peer Review Certificate No. 3941/2023, through CS Nisarg Sharma, Proprietor (Membership No. FCS 14061; Certificate of Practice No. 17088), as the Secretarial Auditor of the Company for a period of five consecutive financial years from FY 2026-27 to FY 2030-31, i.e. from the conclusion of the 34th Annual General Meeting until the conclusion of the 39th Annual General Meeting of the Company, to conduct the Secretarial Audit of the Company and issue the Secretarial Audit Report in the prescribed form for the respective financial years, on such remuneration and other terms as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the actual remuneration payable to the Secretarial Auditor for each financial year during the aforesaid tenure, in consultation with the Secretarial Auditor, subject to a maximum remuneration of ₹2,00,000/- (Rupees Two Lakh only) per financial year, plus applicable taxes and reimbursement of actual out-of-pocket expenses incurred in connection with the audit, and to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be necessary, proper or expedient for giving effect to this Resolution.”

4. Alteration of the object clause and adoption of a new set of Memorandum of Association of the company:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the applicable Rules made thereunder, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, and subject to such approvals, consents, permissions and registrations as may be necessary, consent of the Members of the Company be and is hereby accorded to alter the Object Clause of the Memorandum of Association of the Company by deleting the existing Object Clause and substituting the same with the revised Clause III comprising Clause III(A) – ‘The Objects to be pursued by the Company on its incorporation’ and Clause III(B) – ‘Matters which are necessary for furtherance of the Objects specified in Clause III(A)’.

RESOLVED FURTHER THAT Clause III(A) of the Memorandum of Association of the Company be substituted with the following:

III. (A) THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. To acquire, purchase, take over, lease, amalgamate with, absorb or otherwise acquire, as a going concern or otherwise, the whole or any part of any business, undertaking, enterprise, assets, properties, rights, licences, permits, contracts, goodwill and liabilities of any individual, firm, limited liability partnership, company, body corporate or other entity engaged in the business of iron and steel, Sponge Iron / Direct Reduced Iron (DRI), steel products, pharmaceuticals, healthcare products, hotels, restaurants, hospitality, real estate, construction, infrastructure development, trading, distribution or allied activities, and to carry on, develop, expand, manage, reorganise or otherwise deal with such business or undertaking so acquired, subject to applicable laws and regulatory approvals.
2. To carry on in India or elsewhere in the world, with or without collaboration, the business as software engineers, software developers, software programmers, software trainers, branding service providers, networking engineers, web designers, web developers, application developers and integrators, software solution providers, computer and information technology service providers, management of bulk data, computer or other management consultancy services, education centres, training centres and call centre services in all their aspects; and to design, develop, apply, interpret, analyse, improve, buy, sell, import, export, lease, hire, license, operate, assemble, repair, recondition, alter, convert, improve, upgrade, install and modify system development and support software of all kinds; to provide ERP solutions, internet-related solutions, e-commerce solutions, internet and connectivity solutions, video conferencing, telecommunication software, satellite communication software, radio communication software, wireless communication software, corporate communication software and hardware, parallel communication software, collection, storage, tabulation, analysis and interpretation of data of all kinds, real-time applications and web applications; to provide high-technology solutions and consultancy services in respect thereof; and to develop, prepare, run, update, invent, analyse, design and improve various programmes and to provide, lease, hire, transfer, buy, sell, import and export such programmes to various kinds of users, whether on BOOM, BOLT or any other basis, and to carry on all services connected therewith.
3. To manufacture, design, develop, sell, provide, equip, supply, import, export, furnish, undertake, install, erect, commission, test and stock computers, communication software, hardware and computer peripherals for commercial applications including accounting, inventory, production planning, management information systems, documentation and allied applications; office automation applications, scientific applications, engineering applications,

technical applications, communications, database publishing, local area networking, wide area networking, computer-aided designing, computer-aided manufacturing, computer-aided engineering, desktop publishing, multimedia, shop-floor computerisation, process control, computerised numerical control systems, graphical animations and animated films; and for use in banking, insurance, transport and other professional applications for storage, retrieval, analysis and reproduction of drawings, photographs, correspondence, records and other data and media, and to undertake all other allied applications and activities for the domestic and export markets.

4. To carry on the business of builders, developers, contractors, colonisers, real estate developers, infrastructure developers, project managers, property developers, estate agents, property consultants and dealers in immovable properties and, for that purpose, to purchase, acquire, take on lease, licence, exchange, assignment or otherwise acquire lands, plots, estates, buildings, structures, development rights, Floor Space Index (FSI), Transferable Development Rights (TDR) and other rights or interests in immovable properties; to enter into development agreements, joint development agreements, collaboration agreements, joint ventures, area-sharing arrangements, revenue-sharing arrangements or other arrangements with landowners, societies, associations, authorities, developers or any other persons; and to develop, construct, reconstruct, renovate, alter, improve, repair, demolish, redevelop, furnish, equip, maintain, manage, operate, sell, transfer, lease, licence or otherwise deal in residential, commercial, industrial or mixed-use buildings, housing projects, apartments, offices, shops, shopping centres, malls, warehouses, godowns, factories, industrial estates, business parks, hotels, resorts, restaurants, farm houses, townships, plotted developments and other immovable properties and projects and to undertake land acquisition, land development, site development, infrastructure development and all activities incidental or ancillary thereto, subject to applicable laws.
5. To carry on in India or elsewhere the business of traders, dealers, distributors, wholesalers, retailers, stockists, suppliers, commission agents, representatives, importers, exporters, consignors and consignees in all types of goods, commodities, products, materials and merchandise, including agricultural and horticultural products, industrial products, consumer products, consumer durables, building and construction materials, engineering goods, chemicals, petrochemicals, rubber, plastics, polymers, textiles and allied products; and to buy, sell, trade, import, export, supply, distribute, stock and otherwise deal in iron, steel, Sponge Iron / Direct Reduced Iron (DRI), steel billets, ingots, rods, bars, sheets, coils, pipes, tubes, structural steel, ferrous and non-ferrous metals, metal products and allied materials and, subject to obtaining all licences and approvals as may be required under applicable laws, pharmaceuticals, drugs, medicines, pharmaceutical formulations, healthcare products, medical and surgical products, medical devices, chemicals and allied products.

RESOLVED FURTHER THAT Clause III(B) – ‘Matters which are necessary for furtherance of the Objects specified in Clause III(A)’, comprising the clauses contained in the proposed new set of Memorandum of Association placed before the Meeting, be and is hereby approved and adopted.

RESOLVED FURTHER THAT the new set of Memorandum of Association of the Company, incorporating the aforesaid revised Object Clause, the provisions relating to matters necessary for furtherance of the Objects and the Capital Clause reflecting the capital structure of the Company consequent upon the Scheme for Reduction of Share Capital sanctioned by the Hon’ble National Company Law Tribunal, Ahmedabad Bench, as placed before the Meeting and initialled by the Chairman for the purpose of identification, be and is hereby approved and adopted in substitution for and to the entire exclusion of the existing Memorandum of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorised to make such modifications, alterations, corrections or amendments in the aforesaid Memorandum of Association as may be

required by the Registrar of Companies, Ministry of Corporate Affairs or any other statutory or regulatory authority, provided that such modifications do not materially alter the substance of the approval granted by the Members, and to sign, execute and file all necessary forms, applications, declarations, documents and writings and to do all such acts, deeds, matters and things as may be necessary, proper, desirable or expedient for giving effect to this Resolution.”

5. Adoption of a new set of Articles of Association of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the applicable Rules made thereunder, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, the new set of Articles of Association of the Company, as placed before the Meeting and initialed by the Chairman for the purpose of identification, be and is hereby approved and adopted in substitution for and to the entire exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to execute all such documents as may be necessary, proper or expedient for giving effect to this Resolution.”

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

Sd/-
Mr. Shivkumar Raghunandan Chauhan
Managing Director
DIN: 00841729

Date: September 02, 2026
Place: Ahmedabad

NOTES:

1. The 34th Annual General Meeting (“AGM”) of the Company will be held on Wednesday, September 30, 2026 at 1:30 P.M. (IST) at the Registered Office of the Company situated at 108-B/109, Sampada Building, Mithakhali Six Roads, Opposite Hare Krishna Complex, Behind Kiran Motors, Ahmedabad – 380009, Gujarat.
2. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf, and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be valid and effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM. A proxy shall not have the right to speak at the Meeting and shall not be entitled to vote except on a poll.
3. A person may act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, and such person shall not act as proxy for any other Member.
4. Members/Proxies are requested to bring the duly filled and signed Attendance Slip enclosed with this Notice for admission to the venue of the AGM.
5. For the convenience of the Members, a Route Map showing the venue of the AGM is annexed to this Notice.
6. Corporate Members intending to authorise their representatives to attend and vote at the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution/Authority authorising such representative to attend and vote on their behalf.
7. Members holding shares in physical form in multiple folios in identical names or in the same order of joint names are requested to contact the Company’s Registrar and Share Transfer Agent (“RTA”), Bigshare Services Private Limited, for consolidation of such holdings into a single folio, subject to compliance with the applicable requirements.
8. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts relating to the Special Business under Item Nos. 3 to 5 of the Notice, is annexed hereto.
9. The cut-off date for determining the entitlement of Members to exercise voting rights through remote e-voting and voting at the AGM shall be Wednesday, September 23, 2026. The remote e-voting period shall commence on Sunday, September 27, 2026 at 9:00 A.M. (IST) and shall end on Tuesday, September 29, 2026 at 5:00 P.M. (IST). The remote e-voting facility shall be disabled by CDSL thereafter.
10. In accordance with Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Parth Shivkumar Chauhan (DIN: 07571829) retires by rotation at the ensuing AGM and, being eligible, has offered himself for re-appointment.
11. The particulars of Mr. Parth Shivkumar Chauhan, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings (SS-2), are annexed to this Notice.
12. Relevant documents referred to in the accompanying Notice and Explanatory Statement, including the proposed new sets of Memorandum of Association and Articles of Association of the Company, shall be available for inspection by the Members, without payment of any fee, at the Registered Office of the Company during business hours on all working days up to the date of the AGM and shall also be available for inspection at the AGM.
13. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details, e-mail address, mobile number or other particulars to their respective Depository Participant(s). Members holding shares in physical form are requested to intimate such changes to the Company’s RTA in the manner prescribed by SEBI.

14. Members may avail the facility of nomination in respect of shares held by them. Members holding shares in physical form may submit the prescribed nomination form to the Company/RTA, while Members holding shares in dematerialised form may contact their respective Depository Participant(s).
15. The Company has appointed Bigshare Services Private Limited, Office No. 303, Sun Square Complex, Near Chakradhari Society Bus Stop, Girish Cold Drinks Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat, as its Registrar and Share Transfer Agent for shares held in physical as well as dematerialised form.
16. Members holding securities in physical form are requested to ensure that their PAN, address, bank account details, mobile number, e-mail address, specimen signature and nomination details, as applicable, are duly updated with the RTA in accordance with the applicable SEBI requirements.
17. SEBI has mandated that requests for transfer of securities shall not ordinarily be processed unless the securities are held in dematerialised form, except in cases permitted under the applicable regulatory framework, including transmission and transposition. Members holding shares in physical form are therefore encouraged to dematerialise their holdings.
18. The Notice of the 34th AGM along with the Annual Report for FY 2025-26 is being sent electronically to Members whose e-mail addresses are registered with the Company/RTA/Depositories. Members whose e-mail addresses are not registered shall receive a letter containing the web-link and exact path for accessing the complete Annual Report. A physical copy of the Annual Report shall be provided to any Member upon request. The Notice and Annual Report are also available on the Company's website at www.charmsindustries.co.in and on the website of BSE Limited at www.bseindia.com. The aforesaid communication is being sent based on the Register of Members/List of Beneficial Owners as on Friday, August 28, 2026.
19. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, SS-2 and Regulation 44 of the SEBI Listing Regulations, the Company has engaged Central Depository Services (India) Limited ("CDSL") for providing the remote e-voting facility. M/s Nisarg Sharma & Associates, Company Secretaries, Ahmedabad, has been appointed as the Scrutinizer to scrutinise the remote e-voting process and voting conducted at the AGM in a fair and transparent manner. Members who have exercised their right to vote through remote e-voting may attend the AGM but shall not be entitled to vote again at the Meeting. Members who have not exercised their voting rights through remote e-voting may exercise their voting rights at the AGM through the facility provided by the Company.

20. THE PROCEDURE AND INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Sunday, 27 September, 2026 9:00 am and ends Tuesday, 29 September, 2026 5:00 pm. 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. Wednesday, September 23, 2026 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 venue.
- (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.

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.

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.

STEP 1: ACCESS THROUGH DEPOSITORIES CDSL/NSDL E-VOTING SYSTEM IN CASE OF INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE.

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 for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode With CDSL Depository	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e- Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities In demat mode with NSDL Depository	1) 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: https://eservices.nsdl.com 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. 2) If the user is not registered for IdeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IdeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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. 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and
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	generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	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 website for casting your vote during the remote e-Voting period.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at :1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at https://www.evoting.nsdl.com/ or call at :022-4886 7000 and 022-2499 7000

STEP 2: ACCESS THROUGH CDSL E-VOTING SYSTEM IN CASE OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE AND NON-INDIVIDUAL SHAREHOLDERS IN DEMAT MODE.

(iv) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

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

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id/ folio number in the Dividend Bank details field.

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant <CHARMS INDUSTRIES LIMITED> on which you choose to vote.
- (ix) 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.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) 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.
- (xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com/> and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk. <https://evoting.cdslindia.com/Evoting/EvotingLogin>.

- 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; charmsltd@yahoo.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- 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 Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to <https://www.evotingindia.com/ContactUs.jsp> or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, AVP, (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 <https://www.evotingindia.com/ContactUs.jsp> or call at toll free no. 1800 21 09911

21. Mr. Nisarg Sharma, Practicing Company Secretary Proprietor of M/s. Nisarg Sharma & Associates (Membership No. FCS: 14061; COP No: 17088) has been appointed by the Board of Directors of the Company to scrutinize the e-voting during the AGM and remote e-voting process prior to AGM in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
22. The Scrutinizer shall, after conclusion of voting at the AGM, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and submit a consolidated report to the Chairman or a person authorised by him within the prescribed period.
23. The Results shall be declared within two working days from the conclusion of the AGM. The results declared along with the Scrutinizer's report shall be placed on the Company's website at <https://charmsindustries.co.in/> and on the CDSL website <https://www.evotingindia.com/> and communicated to the Stock Exchanges.
24. Every member entitled to vote at the meeting, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided that not less than three days' notice in writing of the intention so to inspect is given to the Company.

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

**Sd/-
Mr. Shivkumar Raghunandan Chauhan
Managing Director
DIN: 00841729**

Date: September 02, 2026
Place: Ahmedabad

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned under Item Nos. 3 to 5 of the accompanying Notice.

ITEM NO. 3

APPOINTMENT OF M/S NISARG SHARMA & ASSOCIATES, COMPANY SECRETARIES, AS SECRETARIAL AUDITOR OF THE COMPANY

Pursuant to Section 204 of the Companies Act, 2013 (“the Act”) read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to annex with its Board’s Report a Secretarial Audit Report issued by a Company Secretary in Practice in the prescribed form.

M/s Nisarg Sharma & Associates, Company Secretaries, a Peer Reviewed Firm holding Peer Review Certificate No. 3941/2023, through CS Nisarg Sharma, Proprietor (Membership No. FCS 14061; Certificate of Practice No. 17088), is presently acting as the Secretarial Auditor of the Company for the financial year 2025-26.

The Board of Directors of the Company, at its meeting held on September 2, 2026, considering the experience, professional competence, credentials and expertise of M/s Nisarg Sharma & Associates in corporate laws, securities laws, secretarial audit, corporate governance and allied compliance matters, approved and recommended their appointment as Secretarial Auditor of the Company for a period of five consecutive financial years from FY 2026-27 to FY 2030-31, i.e. from the conclusion of the 34th Annual General Meeting until the conclusion of the 39th Annual General Meeting, subject to approval of the Members.

The Company is presently exempt from the applicability of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) by virtue of the exemption available under Regulation 15(2)(a) thereof. Accordingly, the tenure-based appointment requirement prescribed under Regulation 24A is not mandatorily applicable to the Company at present.

Nevertheless, considering the benefits of continuity in the Secretarial Audit process, consistent understanding of the compliance systems and governance framework of the Company and effective monitoring of statutory and regulatory compliances over successive financial years, the Board considers it appropriate, as a matter of good corporate governance, to seek the approval of the Members for the aforesaid five-year appointment.

M/s Nisarg Sharma & Associates has furnished its consent to act as Secretarial Auditor of the Company and has confirmed that it is eligible for the proposed appointment, that the appointment shall be within the applicable limits prescribed by the Institute of Company Secretaries of India (“ICSI”), and that it satisfies the applicable requirements relating to independence and eligibility.

The proposed remuneration payable to M/s Nisarg Sharma & Associates for conducting the Secretarial Audit for FY 2026-27 shall be up to ₹2,00,000/- (Rupees Two Lakh only), plus applicable taxes and reimbursement of actual out-of-pocket expenses incurred in connection with

the audit. The remuneration for the subsequent financial years during the proposed tenure shall be determined by the Board of Directors in consultation with the Secretarial Auditor, having regard to the scope and complexity of the assignment and other relevant factors subject to a maximum limit upto ₹2,00,000/- (Rupees Two Lakh only) per Financial year. There is no material change in the proposed remuneration.

The Board is of the opinion that the experience, professional competence and credentials of M/s Nisarg Sharma & Associates are commensurate with the size and requirements of the Company and accordingly recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice.

Sr. No.	Particulars	Details
1.	Name and Brief Profile of the Secretarial Auditor	M/s Nisarg Sharma & Associates, Company Secretaries , is a Peer Reviewed firm of Practicing Company Secretaries providing professional services in the areas of corporate laws, securities laws, secretarial audit, corporate governance and allied compliance and advisory matters. The Firm holds Peer Review Certificate No. 3941/2023 issued by the Institute of Company Secretaries of India.
2.	Term of Appointment	Proposed appointment for a period of five consecutive financial years from FY 2026-27 to FY 2030-31 , i.e., from the conclusion of the 34th Annual General Meeting until the conclusion of the 39th Annual General Meeting of the Company.
3.	Proposed Remuneration	Remuneration not exceeding ₹2,00,000/- (Rupees Two Lakh only) per financial year , plus applicable taxes and reimbursement of actual out-of-pocket expenses incurred in connection with the audit. The actual remuneration for the respective financial years shall be determined by the Board of Directors in consultation with the Secretarial Auditor within the aforesaid maximum limit.
4.	Basis of Recommendation	The Board of Directors has recommended the appointment having regard to the experience, professional competence, credentials and expertise of the Firm in corporate laws, securities laws, secretarial audit, corporate governance and

Sr. No.	Particulars	Details
		allied compliance matters and considering the size and requirements of the Company.
5.	Relationship with Directors / KMP	None.

ITEM NO. 4**ALTERATION OF THE OBJECT CLAUSE AND ADOPTION OF A NEW SET OF MEMORANDUM OF ASSOCIATION OF THE COMPANY**

The existing Memorandum of Association (“MOA”) of the Company was originally framed under the provisions of the Companies Act, 1956 and contains the earlier classification of objects into Main Objects, Objects Incidental or Ancillary to the attainment of Main Objects and Other Objects.

Further, the existing Main Objects of the Company include the business of Money Changers, which was historically carried on by the Company pursuant to the relevant authorisation of the Reserve Bank of India. The said Full-Fledged Money Changer (“FFMC”) business has since been discontinued following cancellation/non-renewal of the relevant authorisation and, accordingly, the Board considers it appropriate to remove the said activity from the principal Objects of the Company.

The Company is presently evaluating and exploring commercially viable business opportunities across various sectors with a view to broadening its business activities and improving its operational and financial performance. The Board of Directors has therefore considered it desirable to suitably revise and expand the Object Clause of the Company so as to provide the Company adequate flexibility to undertake suitable business opportunities, subject to applicable laws and regulatory approvals.

Accordingly, the proposed new set of MOA provides, inter alia, for acquisition, purchase, takeover, lease, amalgamation or otherwise acquisition of existing businesses and undertakings engaged in iron and steel, Sponge Iron / Direct Reduced Iron (DRI), pharmaceuticals, healthcare, hotels, restaurants, hospitality, real estate, construction, infrastructure development, trading and distribution activities. It also specifically enables the Company to undertake real estate and construction activities including acquisition of land and development rights, entering into development agreements, joint development agreements, collaboration arrangements and development of residential, commercial, industrial, hotel, resort, restaurant and other hospitality projects, as well as trading and dealing in steel, pharmaceutical products, agricultural and horticultural products, industrial products, consumer products, building materials, engineering goods, chemicals, textiles and other goods and commodities.

The existing objects relating to software, information technology, computers, communication software, hardware and allied activities have substantially been retained in the proposed new MOA. The proposed Clause III(B) also sets out the matters which are necessary or incidental for furtherance of the principal Objects of the Company in a manner consistent with the framework of the Companies Act, 2013.

The proposed new MOA also reflects the existing capital structure of the Company consequent upon the Scheme for Reduction of Share Capital sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench. Pursuant to the said Scheme, the face value of the equity shares of the Company was reduced from ₹10/- per equity share to ₹1/- per equity share without reduction in the aggregate Authorised Share Capital of ₹4,50,00,000/-. Accordingly, the Capital Clause of the proposed new MOA states the Authorised Share Capital as ₹4,50,00,000/- divided into 4,50,00,000 Equity Shares of ₹1/- each.

Considering the aforesaid changes and with a view to having a consolidated and updated constitutional document aligned with the Companies Act, 2013, the Board of Directors, at its meeting held on September 2, 2026, approved the proposed alteration of the Object Clause and adoption of a new set of Memorandum of Association of the Company, subject to approval of the Members.

Pursuant to Section 13 of the Companies Act, 2013, alteration of the Object Clause of the Memorandum of Association requires approval of the Members by way of a Special Resolution and shall take effect upon registration thereof by the Registrar of Companies in accordance with the provisions of the Act.

A copy of the proposed new set of Memorandum of Association shall be available for inspection by the Members, without payment of any fee, at the Registered Office of the Company during business hours on all working days up to the date of the Annual General Meeting and shall also be available for inspection at the Meeting.

The Board of Directors considers the proposed alteration and adoption of the new Memorandum of Association to be in the interest of the Company and its Members and accordingly recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice.

ITEM NO. 5

ADOPTION OF A NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY

The existing Articles of Association ("AOA") of the Company were framed under the provisions of the Companies Act, 1956 and contain references to various provisions and terminology of the erstwhile Act which are no longer relevant under the Companies Act, 2013.

With a view to aligning the AOA with the provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, and to suitably update and modernise the provisions thereof, the Board of Directors has considered it desirable to adopt a new set of Articles of Association in substitution for and to the entire exclusion of the existing Articles of Association of the Company.

Pursuant to Section 14 of the Companies Act, 2013, alteration of the Articles of Association requires approval of the Members by way of a Special Resolution.

A copy of the proposed new set of Articles of Association shall be available for inspection by the Members, without payment of any fee, at the Registered Office of the Company during business hours on all working days up to the date of the AGM and shall also be available for inspection at the AGM.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

ANNEXURE TO THE NOTICE

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2)

In respect of Item No. 2 of the Notice

Particulars	Details
Name of Director	Mr. Parth Shivkumar Chauhan
DIN	07571829
Date of Birth / Age	October 25, 1990 / 35 years
Date of first appointment on the Board	September 2, 2016
Qualification	Commerce Graduate
Experience / Nature of expertise in specific functional areas	Approximately 8 years of experience in business administration and management.
Terms and conditions of re-appointment	Re-appointment as Executive Director, liable to retire by rotation. His existing terms and conditions of appointment shall continue, subject to the applicable provisions of the Companies Act, 2013 and approvals, if any.
Number of Board Meetings attended during FY 2025-26	7 out of 7
Directorships held in other companies	Nil
Membership / Chairmanship of Committees of other Boards	Nil
Names of listed entities in which he holds directorship and membership/chairmanship of Committees of the Board	Nil, other than Charms Industries Limited
Names of listed entities from which he has resigned during the preceding three years	Nil
Shareholding in the Company, including beneficial ownership	Nil
Remuneration last drawn during FY 2025-26	Nil.
Relationship with other Directors / Key Managerial Personnel	Son of Mr. Shivkumar Raghunandan Chauhan, Managing Director, and Mrs. Nehalben Shivkumar Chauhan, Non-Executive Director
Brief Resume	Mr. Parth Shivkumar Chauhan is a Commerce Graduate having experience in business administration and management. He has been associated with the Board of the Company since September 2, 2016.

DIRECTOR'S REPORT

To,
The Members,
Charms Industries Limited

Your Directors present the 34th Annual Report of Charms Industries Limited (“the Company”) together with the audited standalone financial statements for the financial year ended 31 March 2026.

1. FINANCIAL HIGHLIGHTS

The financial performance of the Company for the financial year ended March 31, 2026 as compared with the previous financial year is summarised below:

PARTICULARS	For The Year Ended March 31, 2026 (Rs In Thousand)	For The Year Ended March 31, 2025 (Rs In Thousand)
Income	0.00	321.00
Other Income	21.33	15.30
Total Income	21.33	336.30
Less: Expenditure	(2008.12)	(1786.60)
Profit/Loss before Interest, Depreciation and tax	(2003.69)	(1450.30)
Less: Interest	0	0
Less: Depreciation & Amortization Cost	(8.45)	(7.76)
Profit/ Loss Before Tax	(1995.24)	(1458.06)
Less: Tax Expenses	4.43	5.16
Profit / Loss after Tax	(1999.68)	(1463.22)

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other applicable provisions of the Companies Act, 2013.

2. PERFORMANCE AND STATE OF AFFAIRS

During the financial year 2025-26, the Company did not record any revenue from operations. The total income of the Company stood at ₹0.21 lakh, as compared to ₹3.36 lakh in the previous financial year. The Company incurred a loss after tax of ₹19.99 lakh during FY 2025-26, as compared to a loss after tax of ₹14.63 lakh during FY 2024-25.

As at March 31, 2026, the total equity of the Company stood at ₹ (18.15) lakh. The Management continues to monitor the financial position, liquidity requirements and funding requirements of the Company and is evaluating commercially viable business opportunities with a view to improving the operational and financial performance of the Company.

The Company continues to explore business opportunities in trading and allied activities, including the agricultural produce and Sponge Iron / Direct Reduced Iron (DRI) segments. The Company had commenced activities in the Sponge Iron / DRI segment during the preceding financial year; however, no revenue from operations was recorded during FY 2025-26.

The Company's erstwhile Full-Fledged Money Changer ("FFMC") business remains discontinued following cancellation/non-renewal of the relevant authorisation by the Reserve Bank of India in earlier years.

There was no change in the nature of business of the Company during the financial year 2025-26.

3. DIVIDEND AND TRANSFER TO RESERVES

In view of the losses incurred during the financial year and the financial position of the Company, the Board of Directors has not recommended any dividend for FY 2025-26.

Further, no amount is proposed to be transferred to the reserves of the Company for the financial year ended March 31, 2026.

4. SHARE CAPITAL AND SCHEME FOR REDUCTION OF SHARE CAPITAL

As at March 31, 2026, the Authorised Equity Share Capital of the Company is ₹4,50,00,000/- divided into 45,00,000 equity shares of ₹10/- each, and the Issued, Subscribed and Paid-up Equity Share Capital of the Company is ₹4,10,61,000/- divided into 41,06,100 equity shares of ₹10/- each, fully paid-up.

It is to be noted that the Board of Directors in their board meeting held on June 01, 2023 had approved a draft scheme of capital reduction ("Scheme") and the Company upon receipt of the observation letter dated July 01, 2024 issued by the BSE, obtained approval of the shareholders of the Company by way of special resolution passed in the AGM held on September 23, 2024. Thereafter the Company filed an application (CP No. 4 of 2025) under Section 66 of the Companies Act, 2013 before the Hon'ble National Company Law Tribunal, Ahmedabad Bench, ("Tribunal") for seeking confirmation of reduction of Share Capital and Capital Reserve.

The Hon'ble Tribunal vide its order dated March 26, 2026 in CP/4(AHM)/2025 ("Order"), approved the reduction of the existing paid-up equity share capital of the Company from ₹4,10,61,000/- divided into 41,06,100 equity shares of ₹10/- each to ₹41,06,100/- divided into

41,06,100 equity shares of ₹1/- each, by reducing the paid-up value of each equity share by ₹9/-, aggregating to ₹3,69,54,900/-, representing paid-up capital lost or unrepresented by available tangible assets.

Further, the Company has been allowed to cancel the capital reserve account of ₹31,46,530/- by adjustment in debit balance of Profit & Loss Account and therefore the total amount of adjustment in debit balance of Profit and Loss Account is aggregating to ₹4,01,01,430/-.

The Order and the Minutes of reduction of share capital approved thereunder were registered by the Registrar of Companies on April 21, 2026. It is to be noted that the Scheme for Reduction of Share Capital provides that the Scheme shall be considered effective on the date of such registration.

Further, the Company fixed May 20, 2026 as the Record Date for giving effect to the reduction of share capital whereby the paid-up value of each existing equity share was reduced from ₹10/- to ₹1/-, without any change in the total number of equity shares or the proportionate shareholding of the members.

Consequently, subsequent to the reporting date, the Authorised Equity Share Capital stood as ₹4,50,00,000/- divided into 4,50,00,000 equity shares of ₹1/- each and the Paid-up Equity Share Capital of the Company stood reduced to ₹41,06,100/- divided into 41,06,100 equity shares of ₹1/- each, fully paid-up.

However, the reduction being effective only upon registration of the Order and the Minutes with the Registrar of Companies on April 21, 2026, i.e. subsequent to March 31, 2026, the financial statements for the year ended March 31, 2026 reflect the pre-reduction paid-up equity share capital of ₹4,10,61,000/- and the capital reserve, and the Profit and Loss Account reflects amounts prior to the effect of the Scheme, while the implementation of the reduction has been disclosed as a material event occurring after the reporting date.

The Company has also received listing approval dated August 14, 2026 for listing of new equity shares of ₹1/- each pursuant to the Scheme. The Company is in the process of carrying out the corporate action and consequently in terms of the Scheme, the shareholders will receive 1 equity share of ₹ 1/- each fully paid-up against the 1 equity share of ₹ 10/- each fully paid-up.

5. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Subsequent to the close of the financial year, the Order approving the reduction of share capital, together with the Minutes, were registered by the Registrar of Companies on April 21, 2026, pursuant to which the reduction of the paid-up equity share capital of the Company and the cancellation of capital reserve became effective and was subsequently implemented, as more particularly described in the section titled “Share Capital and Scheme for Reduction of Share Capital” above.

Except for the aforesaid reduction of share capital and the matters otherwise disclosed in the financial statements, no other material changes or commitments affecting the financial position of the Company occurred between March 31, 2026 and the date of this Report.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board of Directors and the changes in Directors and Key Managerial Personnel during FY 2025-26 were as follows:

Name	Designation / Capacity	Change during FY 2025-26
Mr. Shivkumar Raghunandan Chauhan	Managing Director / Promoter	Continued
Mrs. Nehalben Shivkumar Chauhan	Non-Executive Director / Promoter	Re-appointed as Director liable to retire by rotation at the 33rd Annual General Meeting held on September 30, 2025
Mr. Parth Shivkumar Chauhan	Executive Director / Promoter	Continued
Mr. Harshad Shantilal Gandhi	Independent Director / Chairman	Completed his second and final term as Independent Director and ceased to hold office with effect from the close of business on September 30, 2025
Mr. Nishit Madhavbhai Rupapara	Independent Director	Completed his second and final term as Independent Director and ceased to hold office with effect from the close of business on September 30, 2025
Mr. Ashok Mankodi	Independent Director	Appointed by the Members at the 33rd Annual General Meeting as an Independent Director for a term of five consecutive years from September 30, 2025 to September 29, 2030
Mr. Dilipkumar Ramprasad Joshi	Independent Director	Appointed by the Members at the 33rd Annual General Meeting as an Independent Director for a term of five consecutive years from September 30, 2025 to September 29, 2030
Mr. Biren Jagdishkumar Thaker	Chief Financial Officer	Resigned with effect from the close of business on September 6, 2025
Mr. Paresh Popatlal Joshi	Chief Financial Officer	Appointed with effect from September 6, 2025

Name	Designation / Capacity	Change during FY 2025-26
Mr. Dileep Panchal	Company Secretary and Compliance Officer	Continued

The Board places on record its appreciation for the valuable contribution and services rendered by Mr. Harshad Shantilal Gandhi, Mr. Nishit Madhavbhai Rupapara and Mr. Biren Jagdishkumar Thaker during their respective tenures with the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Parth Shivkumar Chauhan (DIN: 07571829) retires by rotation at the ensuing 34th Annual General Meeting and, being eligible, has offered himself for re-appointment.

The particulars of Mr. Parth Shivkumar Chauhan, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), form part of the Notice convening the 34th Annual General Meeting.

7. DECLARATIONS BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence prescribed under Section 149(6) of the Act and that there has been no change in the circumstances affecting their status as Independent Directors.

The Independent Directors have also confirmed compliance with the Code for Independent Directors prescribed under Schedule IV to the Companies Act, 2013 and the applicable requirements relating to registration in the Independent Directors' databank.

Mr. Ashok Mankodi and Mr. Dilipkumar Ramprasad Joshi were appointed by the Members at the 33rd Annual General Meeting as Independent Directors for a term of five consecutive years from September 30, 2025 to September 29, 2030. In accordance with Section 149(13) of the Companies Act, 2013, they are not liable to retire by rotation.

8. ANNUAL PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

Pursuant to Section 134(3)(p) of the Companies Act, 2013, the Company carried out a formal annual evaluation of the performance of the Board of Directors, its Committees and individual Directors during the year.

The evaluation was carried out on the basis of appropriate criteria, including the composition and effectiveness of the Board and its Committees, quality of deliberations, participation and contribution of Directors, understanding of the Company's business and regulatory environment, discharge of responsibilities and overall effectiveness of the governance process.

The Nomination and Remuneration Committee, in accordance with the applicable provisions of Section 178 of the Companies Act, 2013, reviewed the framework and manner of performance evaluation.

The Independent Directors, at their separate meeting held during the financial year, reviewed the performance of the Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors, and assessed the quality, quantity and timeliness of flow of information between the Management and the Board.

The performance of the Independent Directors was evaluated by the Board of Directors, excluding the Independent Director being evaluated, in accordance with Schedule IV to the Companies Act, 2013.

9. MEETING OF INDEPENDENT DIRECTORS

During the financial year 2025-26, the Independent Directors of the Company met separately on June 10, 2025, without the presence of Non-Independent Directors and members of the Management.

At the meeting, the Independent Directors, inter alia:

- reviewed the performance of the Non-Independent Directors and the Board of Directors as a whole;
- reviewed the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- assessed the quality, quantity and timeliness of the flow of information between the Management of the Company and the Board of Directors necessary for the Board to effectively and reasonably perform its duties.

10. MEETINGS OF THE BOARD

During FY 2025-26, seven (7) meetings of the Board of Directors were held on May 29, 2025; August 14, 2025; September 6, 2025; September 8, 2025; September 30, 2025; November 12, 2025; and February 14, 2026.

The intervening gap between any two consecutive Board Meetings was within the period prescribed under Section 173 of the Companies Act, 2013 and Secretarial Standard on Meetings of the Board of Directors (SS-1).

The attendance of the Directors at the Board Meetings held during FY 2025-26 was as follows:

Director	Meetings held during tenure	Meetings attended
Mr. Shivkumar Raghunandan Chauhan	7	7
Mrs. Nehalben Shivkumar Chauhan	7	7
Mr. Parth Shivkumar Chauhan	7	7
Mr. Harshad Shantilal Gandhi ^{*1}	5	5

Mr. Nishit Madhavbhai Rupapara ^{*2}	5	5
Mr. Ashok Mankodi ^{*3}	3	3
Mr. Dilipkumar Ramprasad Joshi ^{*4}	3	3

During the year under review, the Board meetings held 7 (Seven) times as given below:

No. of Board Meeting	Date of the meeting
01/2025-26	29/05/2025
02/2025-26	14/08/2025
03/2025-26	06/09/2025
04/2025-26	08/09/2025
05/2025-26	30/09/2025
06/2025-26	12/11/2025
07/2025-26	14/02/2026

Notes:

1. Mr. Harshad Shantilal Gandhi completed his second and final term as Independent Director and ceased to hold office with effect from the close of business on September 30, 2025.
2. Mr. Nishit Madhavbhai Rupapara completed his second and final term as Independent Director and ceased to hold office with effect from the close of business on September 30, 2025.
3. Mr. Ashok Mankodi was appointed as an Independent Director for a term of five consecutive years from September 30, 2025 to September 29, 2030.
4. Mr. Dilipkumar Ramprasad Joshi was appointed as an Independent Director for a term of five consecutive years from September 30, 2025 to September 29, 2030.

11. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, containing an overview of the industry, business performance, opportunities and threats, financial and operational performance, risks and other matters relevant to the Company, forms part of this Annual Report and is annexed to the Board's Report as Annexure-B.

12. COMMITTEES OF THE BOARD

Following the change in Independent Directors on 30 September 2025, the Board reconstituted its Committees with effect from that date. The composition as at 31 March 2026 was as follows:

A. AUDIT COMMITTEE

The Board of Directors of the Company has constituted an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013. The Audit Committee acts as a link between the Statutory Auditors, Internal Auditor, Management and the Board of Directors and oversees the accounting policies and practices, financial reporting process, financial statements and reports of the Auditors.

The powers, role and terms of reference of the Audit Committee cover the areas contemplated under Section 177 of the Companies Act, 2013 and, to the extent voluntarily adopted by the Company, the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with such other matters as may be referred to it by the Board of Directors.

The broad terms of reference of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Examination and review, with the Management, of the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - i. matters required to be included in the Directors' Responsibility Statement forming part of the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by Management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of Related Party Transactions; and
 - vii. qualifications, if any, in the draft Audit Report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- Reviewing and monitoring the Auditor's independence and performance and effectiveness of the audit process;
- Approval or any subsequent modification of transactions of the Company with Related Parties;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of Internal Financial Controls and Risk Management Systems;
- Reviewing, with the Management, the performance of the Statutory and Internal Auditors and adequacy of the internal control systems;

- Reviewing the adequacy of the internal audit function and discussion with the Internal Auditor regarding any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the Internal Auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with the Statutory Auditors before commencement of the audit regarding the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing the functioning of the Whistle Blower Mechanism;
- Carrying out any other function as may be specified in the terms of reference of the Audit Committee;
- Reviewing the utilisation of loans and/or advances from or investment by the holding company in a subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans, advances and investments, wherever applicable; and
- Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc. on the Company and its shareholders, wherever applicable.

As at March 31, 2026, the Audit Committee comprised three Directors, of whom two were Independent Directors. Mr. Ashok Mankodi, Independent Director, was the Chairperson of the Committee. Mr. Dilipkumar Ramprasad Joshi, Independent Director, and Mr. Shivkumar Raghunandan Chauhan, Managing Director, were the other Members of the Committee. Mr. Dileep Panchal, Company Secretary of the Company, acted as Secretary to the Committee.

All the members of the Audit Committee possess financial, accounting and/or management expertise. During the year, the Board of Directors accepted all recommendations made by the Audit Committee.

The composition and attendance of the members of the Audit Committee during FY 2025-26 were as follows:

Name of Director	Category	Position	No. of Meetings held during tenure	No. of Meetings attended
Mr. Ashok Mankodi ¹	Independent Non-Executive Director	Chairperson	2	2
Mr. Dilipkumar Ramprasad Joshi ²	Independent Non-Executive Director	Member	2	2
Mr. Shivkumar Raghunandan Chauhan	Promoter / Managing Director	Member	5	5

Name of Director	Category	Position	No. of Meetings held during tenure	No. of Meetings attended
Mr. Harshad Shantilal Gandhi ³	Independent Non-Executive Director	Chairman	3	3
Mr. Nishit Madhavbhai Rupapara ⁴	Independent Non-Executive Director	Member	3	3

Notes:

1. Mr. Ashok Mankodi was appointed as an Independent Director for a term of five consecutive years from September 30, 2025 to September 29, 2030 and became a member/Chairperson of the Audit Committee upon reconstitution of the Committee.
2. Mr. Dilipkumar Ramprasad Joshi was appointed as an Independent Director for a term of five consecutive years from September 30, 2025 to September 29, 2030 and became a member of the Audit Committee upon reconstitution of the Committee.
3. Mr. Harshad Shantilal Gandhi completed his second and final term as Independent Director and ceased to hold office with effect from the close of business on September 30, 2025.
4. Mr. Nishit Madhavbhai Rupapara completed his second and final term as Independent Director and ceased to hold office with effect from the close of business on September 30, 2025.

During FY 2025-26, five (5) meetings of the Audit Committee were held on May 29, 2025, September 6, 2025, September 30, 2025, November 12, 2025 and February 14, 2026. The requisite quorum was present at all the meetings.

B. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013. The scope and terms of reference of the Committee are also aligned, to the extent voluntarily adopted by the Company, with the provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The broad terms of reference of the Nomination and Remuneration Committee include the following:

- Determination and recommendation of criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Review and recommendation of remuneration payable to Directors, Key Managerial Personnel and Senior Management Personnel, wherever applicable;
- Succession planning for the Board of Directors and Senior Management;
- Identification and selection of candidates for appointment as Directors / Independent Directors based on the criteria laid down by the Committee;

- Formulation of criteria for evaluation of the performance of the Board, its Committees and individual Directors; and
- Carrying out such other functions as may be prescribed under the Companies Act, 2013 or entrusted to the Committee by the Board of Directors.

As at March 31, 2026, the Nomination and Remuneration Committee comprised three Directors, of whom two were Independent Directors. Mr. Ashok Mankodi, Independent Director, was the Chairperson of the Committee. Mr. Dilipkumar Ramprasad Joshi, Independent Director, and Mrs. Nehalben Shivkumar Chauhan, Non-Executive Director, were the other Members of the Committee. Mr. Dileep Panchal, Company Secretary of the Company, acted as Secretary to the Committee.

The composition and attendance of the members of the Nomination and Remuneration Committee during FY 2025-26 were as follows:

Name of Director	Category	Position	No. of Meetings held during tenure	No. of Meetings attended
Mr. Ashok Mankodi ¹	Independent Non-Executive Director	Chairperson	1	1
Mr. Dilipkumar Ramprasad Joshi ²	Independent Non-Executive Director	Member	1	1
Mrs. Nehalben Shivkumar Chauhan	Promoter / Non-Executive Director	Member	2	2
Mr. Harshad Shantilal Gandhi ³	Independent Non-Executive Director	Chairman	1	1

Notes:

1. Mr. Ashok Mankodi was appointed as an Independent Director for a term of five consecutive years from September 30, 2025 to September 29, 2030 and became Chairperson of the Committee upon its reconstitution.

2. Mr. Dilipkumar Ramprasad Joshi was appointed as an Independent Director for a term of five consecutive years from September 30, 2025 to September 29, 2030 and became a Member of the Committee upon its reconstitution.

3. Mr. Harshad Shantilal Gandhi completed his second and final term as Independent Director and ceased to hold office with effect from the close of business on September 30, 2025.

4. Mr. Nishit Madhavbhai Rupapara completed his second and final term as Independent Director and ceased to hold office with effect from the close of business on September 30, 2025.

During FY 2025-26, two (2) meetings of the Nomination and Remuneration Committee were held on September 6, 2025 and February 14, 2026. The requisite quorum was present at both meetings.

Policy on Directors' Appointment and Remuneration

The Board of Directors has, on the recommendation of the Nomination and Remuneration Committee and in accordance with Section 178(3) of the Companies Act, 2013, formulated a policy setting out the criteria for determining qualifications, positive attributes and independence of Directors and the policy relating to remuneration of Directors, Key Managerial Personnel and other employees.

The said policy is available on the website of the Company at www.charmsindustries.co.in.

The remuneration paid to the Directors, Key Managerial Personnel and other employees, wherever applicable, was in accordance with the Remuneration Policy of the Company and the applicable provisions of the Companies Act, 2013.

The annual performance evaluation of the Board, its Committees and individual Directors has been separately dealt with in the section titled "Annual Performance Evaluation of the Board, Committees and Directors" forming part of this Report.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has constituted a Stakeholders Relationship Committee ("SRC") pursuant to the provisions of Section 178 of the Companies Act, 2013. The scope and terms of reference of the Committee are also aligned, to the extent voluntarily adopted by the Company, with the provisions of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholders Relationship Committee is responsible for considering and resolving the grievances of security holders of the Company and for overseeing matters relating to investor services.

The broad terms of reference of the Stakeholders Relationship Committee include the following:

- Review and redressal of complaints and grievances of shareholders/investors, including matters relating to non-receipt of Annual Reports and other shareholder communications;
- Review of requests relating to transmission, transposition, dematerialisation and rematerialisation of shares and issue of duplicate share certificates, wherever applicable;
- Monitoring and tracking the redressal of investor complaints;
- Overseeing the performance of the Registrar and Share Transfer Agent of the Company;

- Reviewing measures taken for effective exercise of voting rights by shareholders;
- Reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, if any, and ensuring timely receipt of dividend warrants/annual reports/statutory notices by shareholders; and
- Carrying out such other functions as may be referred to the Committee by the Board of Directors from time to time.

The equity shares of the Company are compulsorily traded in dematerialised form. Requests relating to transmission, transposition, dematerialisation, rematerialisation, issue of duplicate share certificates and other permitted investor service requests are processed in accordance with the applicable statutory and regulatory requirements.

Following the reconstitution of the Committee on September 30, 2025, the composition of the Stakeholders Relationship Committee as at March 31, 2026 was as follows:

Name of Director	Category	Position
Mr. Dilipkumar Ramprasad Joshi	Independent Non-Executive Director	Chairperson
Mr. Shivkumar Raghunandan Chauhan	Promoter / Managing Director	Member
Mr. Parth Shivkumar Chauhan	Executive Director / Promoter	Member

Mr. Dileep Panchal, Company Secretary and Compliance Officer of the Company, acted as Secretary to the Committee.

During FY 2025-26, one (1) meeting of the Stakeholders Relationship Committee was held on June 10, 2025.

The composition and attendance at the said meeting were as follows:

Name of Director	Position	No. of Meetings held during tenure	No. of Meetings attended
Mr. Harshad Shantilal Gandhi	Chairman	1	1
Mr Shivkumar Raghunandan Chauhan	Member	1	1
Mr. Parth Shivkumar Chauhan	Member	1	1

Details of Investor Grievances / Complaints

The Company did not receive any investor complaints during FY 2025-26. Further, no investor complaint was pending as at March 31, 2026.

Mr. Dileep Panchal, Company Secretary and Compliance Officer, is responsible for overseeing investor grievance redressal on behalf of the Company.

Annual Evaluation of Board, Committees and Individual Directors

The annual performance evaluation of the Board of Directors, its Committees and individual Directors, including the Independent Directors, was carried out during the year in accordance with the applicable provisions of the Companies Act, 2013.

The manner in which the evaluation was carried out has been separately disclosed in the section titled “Annual Performance Evaluation of the Board, Committees and Directors” forming part of this Board’s Report.

13. DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- a. in the preparation of the annual accounts for FY 2025-26, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. appropriate accounting policies have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the loss of the Company for the year ended on that date;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;
- e. proper internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

14. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company is available on the Company’s website at <https://charmsindustries.co.in/annual-returns>.

15. POLICIES

The Company has adopted policies and codes as required under the Companies Act, 2013 and the SEBI Listing Regulations, including the Nomination and Remuneration Policy, Vigil Mechanism/Whistle Blower Policy, Policy on Related Party Transactions, Code of Conduct, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Policy for Determination of Materiality and other applicable policies. The relevant policies are hosted on the Company's website.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism for Directors and employees to report genuine concerns and provides adequate safeguards against victimisation. Direct access to the Chairperson of the Audit Committee is available in appropriate or exceptional cases. No person was denied access to the Audit Committee during the year.

17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has internal control systems commensurate with the size, scale and complexity of its operations. The internal audit function monitors and evaluates the efficacy and adequacy of the internal control systems of the Company, compliance with operating procedures, accounting procedures and policies.

Based on the observations of the internal audit function, corrective actions, wherever required, are undertaken by the concerned process owners to strengthen the controls. Significant audit observations, if any, together with the corrective actions taken thereon, are placed before the Audit Committee for its review

18. RISK MANAGEMENT

The Board is responsible for identifying, evaluating and mitigating material risks that may affect the Company. Principal risks include absence of operating revenue, liquidity and going-concern risk, concentration of financial resources, regulatory compliance risks applicable to a listed entity, market and counterparty risks arising from trading activities, cyber and data risks and execution risks relating to future business plans. The Board and Audit Committee periodically review the risk exposure and mitigation measures.

19. STATUTORY AUDITORS AND AUDIT REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, **M/s Ashit N. Shah & Co., Chartered Accountants (Firm Registration No. 100624W)**, were re-appointed as the Statutory Auditors of the Company at the 33rd Annual General Meeting for a term of five consecutive years, from the conclusion of the 33rd Annual General Meeting until the conclusion of the 38th Annual General Meeting to be held in the year 2030.

The Statutory Auditors have confirmed their eligibility to continue as Auditors of the Company in accordance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

The requirement for ratification of the appointment of Statutory Auditors by the Members at every Annual General Meeting has been omitted from Section 139 of the Companies Act, 2013. Accordingly, no resolution for ratification of their appointment is being placed before the Members at the ensuing Annual General Meeting.

During FY 2025-26, no fraud was reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013. Accordingly, no disclosure is required under Section 134(3)(ca) of the Act.

The Statutory Auditors have expressed an unmodified opinion on the financial statements of the Company for the financial year ended March 31, 2026. The Notes to the financial statements referred to in the Auditors' Report are self-explanatory and form an integral part of the financial statements.

The Notes to the financial statements referred in the Auditors Report are self-explanatory. There are no qualifications or reservations or adverse remarks or disclaimers given by Statutory Auditors of the Company and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report.

The Auditors' Report forms part of this Annual Report.

It is to be noted that Audit Report given by the Auditor is not qualified.

20. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to obtain a Secretarial Audit Report from a Company Secretary in Practice.

M/s Nisarg Sharma & Associates, Practising Company Secretaries, were appointed as the Secretarial Auditor of the Company for FY 2025-26. The Secretarial Audit Report issued by M/s Nisarg Sharma & Associates for the financial year ended March 31, 2026 in Form MR-3 is annexed to this Report as "Annexure-A" and forms an integral part of this Report.

The Secretarial Audit Report contains the following qualifications, together with the explanations/comments of the Board pursuant to Section 134(3)(f) of the Companies Act, 2013:

QUALIFICATION	BOARD'S EXPLANATION / COMMENTS
During the Audit Period, 4,840 equity shares forming part of the Promoter shareholding continued to be held in physical form and, consequently, 100% of the Promoter Group shareholding was not maintained in dematerialised form on a continuous basis as required under Regulation 31(2) of the SEBI Listing Regulations. The said shares continued to remain in physical form due to loss/misplacement of the original share certificate(s). The Company has advised and followed up with the concerned Promoter for obtaining duplicate share certificate(s) and completing the dematerialisation process and is taking necessary steps to ensure compliance with the applicable regulatory requirements.	The Board has taken note of the qualification made by the Secretarial Auditor. The Company has advised and followed up with the concerned Promoter for obtaining duplicate share certificate(s) in respect of the aforesaid 4,840 equity shares and completing the dematerialisation process. The delay is attributable to the loss/misplacement of the original share certificate(s). The Company is continuing to take necessary steps and coordinate with the concerned Promoter to facilitate completion of the dematerialisation process at the earliest.

Form MGT-14 in respect of the Board Resolution approving the financial statements of the Company for the financial year ended 31st March, 2025 was not filed within the prescribed period under the applicable provisions of the Companies Act, 2013. The Company has subsequently filed the requisite Form MGT-14 with the Registrar of Companies upon payment of the applicable additional filing fees. Accordingly, the observation is limited to the delay in filing of the said Form within the prescribed period.	The Board has taken note of the qualification made by the Secretarial Auditor. The Company acknowledges the delay in filing Form MGT-14 in respect of the Board Resolution approving the financial statements for the financial year ended 31st March, 2025. The requisite Form MGT-14 has subsequently been filed with the Registrar of Companies along with the applicable additional filing fees. The Company has taken note of the matter and shall endeavour to ensure timely filing of statutory forms within the prescribed timelines in future.
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The provisions covered by the exemption under Regulation 15(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including Regulation 24A and the requirement relating to submission of the Annual Secretarial Compliance Report, were not applicable to the Company for FY 2025-26 considering the applicable paid-up equity share capital and net worth thresholds and the continuation provisions thereunder.

Subsequent to the close of FY 2025-26, M/s SJV & Associates resigned as Secretarial Auditors of the Company with effect from August 13, 2026. Thereafter, the Board of Directors, at its meeting held on August 14, 2026, appointed M/s Nisarg Sharma & Associates, Practising Company Secretaries, a Peer Reviewed Firm holding Peer Review Certificate No. 3941/2023, as the Secretarial Auditor of the Company for FY 2025-26, upon receipt of their consent and eligibility certificate.

The change in Secretarial Auditor was intimated to BSE Limited on August 14, 2026 in accordance with the applicable provisions of the SEBI Listing Regulations.

21. INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the applicable Rules made thereunder, Mr. Paresh Popatlal Joshi has been continuing as the Internal Auditor of the Company since FY 2022-23. During FY 2025-26, he continued to carry out the internal audit function of the Company in accordance with the scope and responsibilities assigned to him by the Board of Directors and the Audit Committee.

22. REPORTING OF FRAUDS BY AUDITORS

During FY 2025-26, no fraud was reported by the Statutory Auditors or the Secretarial Auditor under Section 143(12) read with Section 143(14) of the Companies Act, 2013.

23. COST RECORDS AND COST AUDIT

The provisions relating to maintenance of cost records under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 are not applicable to the Company. Accordingly, the Company is not required to maintain cost records under the said provisions.

Further, the provisions relating to cost audit are not applicable to the Company and consequently, the Company was not required to appoint a Cost Auditor for FY 2025-26.

24. DEPOSITS

The Company did not accept any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during FY 2025-26. Further, no amount of principal or interest on deposits was outstanding as at March 31, 2026.

25. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During FY 2025-26, the Company did not give any loan, provide any guarantee or security, or make any investment falling within the provisions of Section 186 of the Companies Act, 2013. Accordingly, there are no particulars required to be disclosed under Section 186 of the Companies Act, 2013 for the financial year ended March 31, 2026.

26. RELATED PARTY TRANSACTIONS

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.

27. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company did not have any subsidiary, joint venture or associate company during FY 2025-26. Accordingly, the requirement of preparing consolidated financial statements and furnishing the statement containing salient features of the financial statements of subsidiaries, associates and joint ventures in Form AOC-1 is not applicable to the Company.

28. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility were not applicable to the Company during FY 2025-26, as the Company did not meet the prescribed applicability thresholds.

29. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The particulars relating to conservation of energy and technology absorption required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable considering the nature of the activities carried on by the Company.

Particular	FY 2025-26
Foreign exchange earnings	Nil
Foreign exchange outgo	Nil

30. EMPLOYEES AND REMUNERATION DISCLOSURES

The disclosures required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of this Report and are annexed hereto as “Annexure-C”.

The particulars of employees required under Rules 5(2) and 5(3) of the aforesaid Rules, if applicable, shall be made available for inspection and/or provided to the Members in accordance with the applicable provisions of law.

31. PREVENTION OF SEXUAL HARASSMENT

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made there under, your Company has constituted Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment. The ICs includes external members with relevant experience. The ICs, presided by senior women, conduct the investigations and make decisions at the respective locations. The ICs also work extensively on creating awareness on relevance of sexual harassment issues, including while working remotely. Your Directors declared and confirm that, during the year under review, there is no case filed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All new employees go through a detailed personal orientation on anti-sexual harassment policy adopted by the Company.

32. MATERNITY BENEFIT COMPLIANCE

The Company affirms that it has duly complied with all provisions of the Maternity Benefit Act, 1961, including provisions relating to maternity leave, benefits, and protection of employment for women employees.

33. INSOLVENCY AND BANKRUPTCY CODE

No application was made and no proceeding was pending against the Company under the Insolvency and Bankruptcy Code, 2016 during FY 2025-26.

34. ONE-TIME SETTLEMENT AND VALUATION DIFFERENCE

During FY 2025-26, there was no instance of any one-time settlement with any bank or financial institution. Accordingly, disclosure regarding the difference between the amount of valuation done at the time of one-time settlement and the valuation done while availing the loan is not applicable to the Company.

35. SIGNIFICANT AND MATERIAL ORDERS

During FY 2025-26, the Hon'ble National Company Law Tribunal, Ahmedabad Bench, vide its Order dated March 26, 2026 in CP/4(AHM)/2025, approved the reduction of the paid-up equity share capital of the Company and cancellation of the capital reserve account in accordance with the Scheme for Reduction of Share Capital. The details of the said Order and the subsequent implementation of the reduction have been disclosed in the section titled "Share Capital and Scheme for Reduction of Share Capital" in this Board's Report.

36. LISTING AND DEPOSITORY INFORMATION

The Company's equity shares are listed on BSE Limited under Scrip Code 531327. The Company complies with the applicable listing and depository requirements.

The shareholding of the Company in dematerialised and physical form was as follows:

Mode	Shares as at 30.09.2025	Shares as at 31.03.2026
NSDL	19,95,131	20,23,219
CDSL	12,33,329	12,05,241
Physical	8,77,640	8,77,640
Total	41,06,100	41,06,100

37. CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORTING

Pursuant to Regulation 15(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions relating to Corporate Governance specified under Regulations 17 to 27 and the applicable provisions of Schedule V were not applicable to the Company during FY 2025-26, considering the prescribed paid-up equity share capital and net worth thresholds. Accordingly, a separate Corporate Governance Report does not form part of this Annual Report.

38. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The requirement of Business Responsibility and Sustainability Reporting under Regulation 34(2)(f) of the SEBI Listing Regulations is not applicable to the Company as it does not fall within the prescribed category of listed entities to which the said requirement applies.

39. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

40. ACKNOWLEDGEMENT

The Board places on record its appreciation for the support and cooperation received from the shareholders, bankers, business associates, regulators, statutory authorities, professionals and employees of the Company during the year under review.

By Order of the Board of Directors
For Charms Industries Limited

Sd/-
Mr. Shivkumar Raghunandan Chauhan
Managing Director
DIN: 00841729

Date: September 02, 2026
Place: Ahmedabad

ANNEXURE A

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2026
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

CHARMS INDUSTRIES LIMITED

CIN: L72900GJ1992PLC017494

108-B/109, Sampada Building,

Mithakhali Six Roads, Opp. Hare Krishna Complex,

B/H Kiran Motors,

Ahmedabad – 380009, Gujarat.

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 authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026 (“Audit Period”), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

1. The Companies Act, 2013 (“the Act”) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, which were not applicable to the Company during the Audit Period;
5. 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, 2018 – Not applicable during the Audit Period;

- d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- e. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable during the Audit Period;
- g. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – Not applicable during the Audit Period;
- h. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 – Not applicable during the Audit Period;
- i. 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, to the extent applicable;
- j. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – Not applicable during the Audit Period;
- k. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 – Not applicable during the Audit Period; and
- l. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

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

- a. Secretarial Standard-1 (SS-1) on Meetings of the Board of Directors and Secretarial Standard-2 (SS-2) on General Meetings, issued by The Institute of Company Secretaries of India and mandatorily applicable to the Company; and
- b. The Listing Agreement entered into by the Company with BSE Limited, read with the applicable provisions of the SEBI Listing Regulations.

I further report that pursuant to Regulation 15(2)(a) of the SEBI Listing Regulations, the provisions of Regulations 17 to 27 and the corresponding provisions specified under Regulation 46, to the extent specifically exempted thereunder, were not applicable to the Company during the Audit Period. Accordingly, the requirement relating to the Annual Secretarial Compliance Report under Regulation 24A of the SEBI Listing Regulations was not applicable to the Company during the Audit Period.

During the Audit Period under review, the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above, subject to the following observations:

1. Promoter Shareholding continued to remain partly in physical form

During the Audit Period, 4,840 equity shares forming part of the promoter shareholding continued to be held in physical form and, accordingly, the entire promoter/promoter group shareholding was not maintained in dematerialised form in terms of Regulation 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As represented by the Company, one of the Promoters of the Company continues to hold 4,840 equity shares in physical form due to loss of the original share certificate(s). The Company has advised and followed up with the Promoter to obtain duplicate share certificate(s) and complete the dematerialisation process. The Company has further undertaken to ensure that the aforesaid shares are issued/credited in dematerialised form only in accordance with the applicable provisions and regulatory requirements.

2. Delay in Filing of Form MGT-14 in respect of approval of Financial Statements

Form MGT-14 in respect of the Board Resolution approving the financial statements of the Company for the financial year ended 31st March, 2025 was not filed within the prescribed period under the applicable provisions of the Companies Act, 2013.

The Company has subsequently filed the requisite Form MGT-14 with the Registrar of Companies upon payment of the applicable additional filing fees. Accordingly, the observation is limited to the delay in filing of the said Form within the prescribed period.

I further report that, except for the observations stated hereinabove, there were 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:

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as applicable under the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act, subject to the observations made hereinabove, wherever applicable.

Adequate notice was given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in accordance with the applicable provisions of the Act and Secretarial Standards and a system existed for seeking and obtaining further information and clarifications on agenda items before the meetings and for meaningful participation at the meetings.

As per the minutes of the meetings duly recorded and signed by the Chairman, decisions of the Board were carried through with requisite majority and there were no dissenting views required to be captured and recorded as part of the minutes, except to the extent specifically recorded therein, if any.

I further report that during the Audit Period, the following specific event/action having a major bearing on the Company's affairs took place:

Reduction of Share Capital under Section 66 of the Companies Act, 2013

During the Audit Period, the Hon'ble National Company Law Tribunal, Ahmedabad Bench, vide its Order dated 26th March, 2026, approved the reduction of the equity share capital of the Company pursuant to Section 66 and other applicable provisions of the Companies Act, 2013.

Pursuant to the said Order, the paid-up equity share capital of the Company was approved to be reduced from ₹4,10,61,000 divided into 41,06,100 equity shares of ₹10/- each to ₹41,06,100 divided into 41,06,100 equity shares of ₹1/- each. The Scheme also provided for cancellation of the Capital Reserve, subject to completion of the consequential statutory and regulatory formalities.

The Company disclosed the said Order to BSE Limited during the Audit Period.

For Nisarg Sharma & Associates
Company Secretaries

Sd/-
CS Nisarg Sharma
Proprietor
Membership No.: FCS 14061
Certificate of Practice No.: 17088
Peer Review Certificate No.: 3941/2023
UDIN: F014061H001352079

Place: Ahmedabad
Date: 02/09/2026

ANNEXURE

To,
 The Members,
CHARMS INDUSTRIES LIMITED
 CIN: L72900GJ1992PLC017494
 108-B/109, Sampada Building,
 Mithakhali Six Roads, Opp. Hare Krishna Complex,
 B/H Kiran Motors,
 Ahmedabad – 380009, Gujarat.

My Secretarial Audit Report of even date is to be read along with this Annexure.

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 a test-check basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices 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 Management Representation about the compliance of laws, rules and regulations and occurrence of events, etc.
5. The compliance with the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to verification of procedures on a test-check 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.
7. I have relied upon the information and explanations provided by the Company, its officers and authorised representatives and the records and documents made available to me during the course of the audit.

For Nisarg Sharma & Associates
 Company Secretaries

Sd/-
CS Nisarg Sharma
Proprietor
Membership No.: FCS 14061
Certificate of Practice No.: 17088
Peer Review Certificate No.: 3941/2023
UDIN: F014061H001352079
Place: Ahmedabad
Date: 02/09/2026

ANNEXURE B

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMIC OVERVIEW

The Indian economy continued to remain resilient during FY 2025-26 despite uncertainties in the global economic environment, geopolitical developments, fluctuations in commodity prices and evolving monetary conditions. Domestic consumption, infrastructure development, manufacturing activity, investment and the services sector continued to support economic activity.

India's medium and long-term growth prospects remain supported by its large domestic market, favorable demographics, continued infrastructure development, digitalisation and emphasis on strengthening domestic manufacturing.

However, inflationary pressures, commodity price movements, interest-rate movements, global economic conditions and geopolitical developments continue to remain important factors affecting the overall business environment.

INDIAN AGRICULTURE SECTOR OVERVIEW

Agriculture and allied activities continue to occupy an important position in the Indian economy and remain a significant source of livelihood, particularly in rural areas. The sector includes agriculture, horticulture, livestock, fisheries and various allied activities and plays an important role in supporting food security and rural consumption.

The performance of the agricultural sector is influenced by factors such as monsoon conditions, availability of water, crop production, input costs, commodity prices, government policies and domestic and international demand.

India's large consumer base and continuing demand for agricultural and allied products provide opportunities for entities engaged in trading and distribution of agricultural produce.

The Company continues to evaluate business opportunities in the agricultural produce segment based on prevailing market conditions and commercial viability.

SPONGE IRON / STEEL SECTOR OVERVIEW

The iron and steel industry are an important part of India's industrial and infrastructure development. Demand for steel and related products is influenced by infrastructure development, construction activity, manufacturing, urbanisation and capital expenditure.

Sponge Iron, also known as Direct Reduced Iron ("DRI"), is an important raw material used in steel manufacturing. Accordingly, demand for Sponge Iron is linked with the overall performance of the steel industry.

The performance of the Sponge Iron sector is affected by steel demand, availability and prices of iron ore and coal, energy costs, commodity-price movements, environmental requirements and general economic conditions.

The Company commenced activities in the Sponge Iron/DRI segment in June 2024 and continues to evaluate opportunities in the sector based on market conditions and commercial viability.

The performance of the Sponge Iron sector is affected by steel demand, availability and prices of iron ore and coal, energy costs, commodity-price movements, environmental requirements and general economic conditions.

The Company commenced activities in the Sponge Iron/DRI segment in June 2024 and continues to evaluate opportunities in the sector based on market conditions and commercial viability.

COMPANY BUSINESS

Earlier, the Company was engaged in the business of Full-Fledged Money Changer (“FFMC”) pursuant to the license granted by the Reserve Bank of India. The outbreak of COVID-19 during FY 2020-21 and its adverse impact on international travel and tourism significantly affected the said business.

The Company did not apply for renewal of its FFMC license within the stipulated period and the license was subsequently cancelled by the Reserve Bank of India. Consequently, the Company discontinued the FFMC business and thereafter started exploring other business opportunities.

The Company commenced activities in the trading of agricultural produce in January 2023 and subsequently commenced activities in the Sponge Iron/Direct Reduced Iron (DRI) segment in June 2024.

In the agricultural produce segment, the Company deals in agricultural, horticultural and allied products. The objects of the Company also permit trading and dealing in various industrial, consumer, engineering, chemical, textile, metal and allied products, subject to applicable laws. During FY 2025-26, however, the Company did not record any revenue from operations.

OPPORTUNITIES, STRENGTHS, WEAKNESSES AND THREATS

Strengths

- India has a large and diversified agricultural market with continuing demand for agricultural and allied products.
- The Company’s objects permit it to undertake a diversified range of trading activities and accordingly provide flexibility to evaluate different business opportunities.
- The continuing development of infrastructure and manufacturing activity in India may support demand for steel and related products, including Sponge Iron/DRI.
- The Company continues to evaluate business opportunities in sectors in which it has already commenced activities.

Weaknesses

- The Company presently has a limited scale of operations and did not generate revenue from operations during FY 2025-26.
- The agricultural business is affected by seasonal conditions, fluctuations in commodity prices, logistics costs and availability of products.
- The Sponge Iron/DRI business is dependent upon the performance of the steel industry and is exposed to fluctuations in prices of iron ore, coal, energy and other inputs.
- The Company has been incurring losses and therefore needs to establish sustainable revenue-generating operations.

Opportunities

- India's large population and continuing demand for agricultural and allied products provide opportunities in the trading and distribution segment.
- Improvements in infrastructure, market connectivity and digital platforms may provide better access to suppliers and customers in the agricultural sector.
- Continued infrastructure and manufacturing development may support demand in the steel and allied sectors.
- The Company may evaluate other trading opportunities permitted under its existing objects depending upon market conditions and commercial feasibility.

Threats

- Volatility in commodity prices may affect trading margins and profitability.
- Unfavorable monsoon conditions, fluctuations in agricultural production and changes in government policies may affect the agricultural sector.
- Changes in steel demand and fluctuations in raw-material and energy prices may adversely affect opportunities in the Sponge Iron/DRI segment.
- Competition, counterparty risk, liquidity requirements and regulatory requirements may also affect the Company's operations.

FINANCIAL PERFORMANCE

During the financial year ended March 31, 2026, the financial and operational performance of the Company remained subdued.

The Company did not generate any revenue from operations during FY 2025-26. Total income stood at ₹0.21 lakh, as compared to ₹3.36 lakh in the previous financial year.

The Company incurred a loss before tax of ₹19.95 lakh during FY 2025-26 as compared to a loss before tax of approximately ₹14.58 lakh during FY 2024-25.

The loss after tax for FY 2025-26 was ₹19.99 lakh, as compared to a loss after tax of ₹14.63 lakh during FY 2024-25.

The Company continues to evaluate suitable business opportunities with a view to establishing sustainable revenue-generating operations and improving its financial performance.

The financial ratios of the Company were affected primarily due to the absence of operating revenue, losses incurred during the year and the resultant negative net worth as at March 31, 2026. Accordingly, certain ratios such as the Debt-Equity Ratio, Net Profit Margin and Return on Net Worth are either not meaningful or are not comparable with the previous financial year. The decline in the Current Ratio was mainly attributable to reduction in current assets and increase in current liabilities during the year.

CAPITAL REDUCTION

During FY 2025-26, the Hon'ble National Company Law Tribunal, Ahmedabad Bench, vide its Order dated March 26, 2026 in CP/4(AHM)/2025, approved the reduction of the paid-up equity share capital of the Company from ₹4,10,61,000 divided into 41,06,100 equity shares of ₹10 each to ₹41,06,100 divided into 41,06,100 equity shares of ₹1 each.

The reduction was effected by reducing the paid-up value of each equity share by ₹9, aggregating to ₹3,69,54,900. The sanctioned accounting treatment also provided for cancellation of the Capital Reserve amounting to ₹31,46,530 and therefore the total amount of adjustment in debit balance of Statement of Profit and Loss aggregate amount of ₹4,01,01,430.

The Order and the approved Minute of reduction of Share capital were registered with the Registrar of Companies on April 21, 2026. Accordingly, the reduction became effective subsequent to the close of FY 2025-26.

Thereafter, the Company fixed May 20, 2026 as the Record Date for giving effect to the reduction and completed the necessary corporate action whereby the paid-up value of each existing equity share was reduced from ₹10 to ₹1, without any change in the total number of equity shares or the proportionate shareholding of the Members.

The capital reduction was undertaken with a view to rationalising the capital structure of the Company and adjusting the accumulated debit balance of the Statement of Profit and Loss in accordance with the terms sanctioned by the NCLT.

Further the Company has also received listing approval dated August 14, 2026 for listing of new equity shares of ₹1/- each pursuant to the Scheme. The Company is in the process of carrying out the corporate action and consequently in terms of the Scheme, the shareholders will receive 1 equity share of ₹ 1/- each fully paid-up against the 1 equity share of ₹ 10/- each fully paid-up.

SEGMENT-WISE PERFORMANCE

The Company's operations belong to a single reportable segment and accordingly, separate segment-wise performance is not applicable.

During FY 2025-26, the Company did not record any revenue from operations.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

Human resources continue to play an important role in the functioning of the Company. The Company endeavours to maintain a suitable working environment and keeps its employees informed about relevant policies and regulatory requirements.

As at March 31, 2026, the Company had 3 permanent employees. Employee relations remained cordial during the year.

For and on behalf of the Board of Directors
Charms Industries Limited

Sd/-
Mr. Shivkumar Raghunandan Chauhan
Managing Director
DIN: 00841729

Date: September 02, 2026
Place: Ahmedabad



ANNEXURE-C

DISCLOSURES REGARDING REMUNERATION PURSUANT TO 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 the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Mr. Shivkumar Raghunandan Chauhan, Managing Director – 1.70:1 Other Directors – Not Applicable, as no remuneration was paid to them during the year.
II.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year	Mr. Shivkumar Raghunandan Chauhan, Managing Director – Nil (0%). No remuneration/increase in remuneration was reported in respect of the other Directors, Chief Financial Officer and Company Secretary during the year.
III.	The percentage increase in the median remuneration of employees during the financial year	No Increase
IV.	The number of permanent employees on the rolls of the Company as on March 31, 2026	3
V.	Average percentile increases already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in managerial remuneration, together with justification thereof and whether there were any exceptional circumstances for increase in managerial remuneration	There was no increase in the remuneration of the managerial personnel during FY 2025-26. There were no exceptional circumstances or increase in managerial remuneration during the year.
	Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is hereby affirmed that the remuneration paid during FY 2025-26 was in accordance with the Remuneration Policy of the Company.

B. STATEMENT PURSUANT TO RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The particulars of the employees of the Company in terms of remuneration drawn during the financial year ended March 31, 2026 are as under:

Sr. No.	Name	Designation	Remuneration received during FY 2025-26 (₹)	Nature of Employment	Qualification & Experience	Date of Commencement of Employment	Age	Last Employment	% of Equity Shares held	Whether relative of any Director / Manager
1.	Rajkumar Mishra	Driver	2,48,400/-	Permanent	Undergraduate	Since 10 years	35 Years	Not known	NIL	NO
2.	Sanjay Bamaniya	Peon	1,74,000/-	Permanent	Undergraduate	Since 3 years	25 Years	Not known	NIL	NO
3.	Mr. Dileep Panchal	Company Secretary & Compliance Officer	1,20,000/-	Permanent	Associate Company Secretary (ACS)	08/05/2019	37 Years	-	NIL	NO

None of the employees of the Company was in receipt of remuneration exceeding the limits specified under Rule 5(2)(i) or Rule 5(2)(ii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during FY 2025-26. Further, no employee falling within the criteria specified under Rule 5(2)(iii) was identified during the year.

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, 2026 and the Statement of Profit and Loss (including the Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material 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, 2026, the loss 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 in accordance with the Standards on Auditing (“SA” s) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

Emphasis of matter

We draw attention to Note 24 to the accompanying Financial Statements, which describes the Scheme of Reduction of Share Capital approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order dated March 26, 2026. The Order and the Minute approved thereunder were registered with the Registrar of Companies on April 21, 2026, subsequent to the reporting date, upon which the reduction became effective. The Company thereafter fixed May 20, 2026 as the Record Date for giving effect to the reduction of the paid-up equity share capital.

Our opinion is not modified in respect of this matter.

Other information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual report, but does not include the Financial Statements and Auditor's report there on. The Company's Annual report is expected to be made available to us after the date of this Auditors Report.

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 communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Managements and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and 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, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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 is also 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 and Board of Directors.
- 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.

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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act.
 - (e) On the basis of written representations received from the directors of the Company as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014.

- (g) 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 B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting
- (B) 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:
- a. The Company has disclosed the impact of pending litigations as at 31st March 2026 on its financial position in its financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (1) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company
 - or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (2) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) (i) and (d) (ii) of the Rule 11(e), as provided under (i) and (ii) above, contain any material mis-statement.
 - e. The company has not declared or paid any dividend during the year, hence there is no noncompliance with Section 123 of the Act.
 - f. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the Financial Year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility. However, The feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting software's for the period 1 April 2025 to 31 March 2026.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

3. As required under the Order dated March 26, 2026, passed by the National Company Law Tribunal, Ahmedabad Bench in CP no. 4 of 2025 ("Order") on the Application filed by the Company for approval of the 'Scheme for reduction of share capital between Company and its shareholders', in our opinion and according to the information and explanations provided to us, the Company has duly carried out the necessary compliances in accordance with the said Order.

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

Sd/-
Ashit N. Shah
(Proprietor)

Place of Signature: Ahmedabad
Date: 28-05-2026

Membership No. 036857
UDIN: 26036857TLVRKD1737

Annexure ‘A’ to the Independent Auditor’s Report

With reference to the “Annexure A” 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, 2026, we report the following:

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

- i.
 - a.
 - (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (ii) According to the information and explanation given to us, the company does not have any intangible assets.
 - b. The Property, Plant and Equipment have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size & nature of the company. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us we report that the title deeds, comprising all the immovable properties of land and buildings are not held in the name of the Company as at the balance sheet date. The title deed of office building in the Property, Plant & Equipment are not produced before us for verification.
 - d. The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
 - e. In our opinion according to the information and explanations given to us, there are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
 - a. 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. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

- b. According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.
- iii. According to the information and explanation given to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- iv. In our opinion and according to the information and explanations given to us, during the current financial year, the company has not given/made any loan, investment, guarantee and security and accordingly provisions of section 185 and 186 of the Act are not applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits 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. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, the products manufactured by it (and/ or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- vii.
 - a. In our opinion and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues of provident fund, employee state insurance, tax deducted at source and GST. We were informed that operation of the Company did not give rise to duty of customs, duty of excise, value added tax, cess.
 - b. According to the information and explanation given to us, there is no due on account of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of dispute.
- viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
 - a. As per the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to banks and financial institutions during the year

- b. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion and according to the information and explanations given to us, the Company has not obtained any term loans during the year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable.
- d. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment by the company.
- e. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f. In our opinion and according to the information and explanations given to us, during the year the company has not raised loans on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

ix.

- a. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments). Therefore, reporting under paragraph 3(x) of the Order is not applicable.
- b. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

x.

- a. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b. To the best of our knowledge and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c. To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints were received by the Company during the year. Accordingly, there were no such complaints required to be considered by us for reporting under clause 3(xi)(c) of the Order.

- xi. According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, reporting under paragraph (xii) of the Order is not applicable.
- xii. According to the information and explanations given to us, based on our examination of the records of the Company and approval has been obtained from audit committee and Board of Directors, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiii.
 - a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - b. According to the information and explanations given to us, Company has appointed internal auditor and internal audit reports are taken into consideration.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xv. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) and (d) of the Order is not applicable.
- xvi. The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year amounting to Rs. 19.87 Lakhs and Rs. 14.5 Lakhs respectively.
- xvii. There has been no resignation of the statutory auditors of the Company during the year.
- xviii. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all

liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xix. According to the information and explanations given to us, the Company is not required to spend for CSR as per 135(5) of companies Act, 2013. Hence reporting under clause 3(xx) of the Order is not applicable.

**For Ashit N Shah & Co
Chartered Accountants
(Firm Reg No. –100624W)**

**Sd/-
Ashit Shah
(Proprietor)**

Mem. No. 036857

UDIN: 26036857TLVRKD1737

Place: Ahmedabad

Date: 28-05-2026

Annexure B to Independent Auditors' Report

(Referred to in paragraph 2(A)(g)] 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”)

Opinion

We have audited the Internal Financial Controls with reference to financial statements of **Charms Industries Limited** (“the Company”) as of March 31, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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, 2026, based on the internal control with reference to financial statements 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.

Managements and Board of Directors' Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining Internal Financial Controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 with reference to financial statements 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 with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements include 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future

periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Ashit N Shah & Co
Chartered Accountants
(Firm Reg No. –100624W)**

**Place: Ahmedabad
Date: 28-05-2026**

**Sd/-
Ashit Shah
(Proprietor)
Mem. No. 036857
UDIN: 26036857TLVRKD1737**

CHARMS INDUSTRIES LIMITED

CIN: L72900GJ1992PLC017494

Balance Sheet as at 31 March, 2026

(` in Thousands)

	Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
	<u>ASSETS</u>			
1.	Non-current assets			
	(a) Property, Plant & machinery	4	486.16	459.61
	(b) Financial Assets			
	i) Investment	5	3,303.00	3,303.00
	ii) Other Financial Assets		-	-
	(c) Other non-current assets		-	-
	Total Non-Current Assets		3,789.16	3,762.61
2.	Current assets			
	(a) Inventories		-	-
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables	6	-	-
	(iii) Cash and cash equivalents	7	705.63	1,135.44
	(iv) Bank Balance other than (ii) above		-	-
	(iv) Loans	8	-	1,200.00
	(c) Other current assets	9	537.98	7.67
	Total Current Assets		1,243.61	2,343.11
	TOTAL ASSETS		5,032.77	6,105.72
	<u>EQUITY AND LIABILITIES</u>			
1.	EQUITY			
	(a) Equity Share Capital	10	41,061.00	41,061.00
	(b) Other Equity	11	(42,875.98)	(40,876.30)
	Total equity attributable to owners of the company		(1,814.98)	184.70
2.	LIABILITIES			
	(1) Non- current liabilities			
	(a) Provisions		-	-
	(b) Deferred Tax Liability(Net)	12	58.23	53.80
	Total Non-Current Liabilities		58.23	53.80
	(2) Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	4,025.00	4,025.00
	(ii) Trade payables		-	-
	(iii) Other Financial Liabilities		-	-
	(b) Other Current Liabilities	14	1,264.52	633.22
	(c) Provisions	15	1,500.00	1,209.00
	Total Current Liabilities		6,789.52	5,867.22
	TOTAL EQUITY & LIABILITIES		5,032.77	6,105.72
	The accompanying notes form an integral part of the financial statements			

In terms of our report attached.

On behalf of the Board of Directors

Charms Industries Limited

For, Ashit N Shah & Co

Chartered Accountants

(FRN : 100624W)

Ashit Shah

Proprietor

Mem . No. : 036857

Date : 28-05-2026

Place : AHMEDABAD

Shivkumar R Chauhan

Managing Director

(DIN:00841729)

Paresh Joshi

Chief Financial Officer

Date : 28-05-2026

Place : AHMEDABAD

Nehalben S Chauhan

Director

(DIN:02901331)

Dileep Panchal

Company Secretary

CHARMS INDUSTRIES LIMITED

CIN: L72900GJ1992PLC017494

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2026

(` in Thousands)

	PARTICULARS	Note No.	Year Ended 31st March, 2026	Year Ended 31st March, 2025
I	Revenue from operations:	16	-	321.00
II	Other Income	17	21.33	15.30
III	Total Revenue (I + II)		21.33	336.30
IV	Expenses			
	Purchases of Stock in Trade		-	289.17
	Changes in inventories of finished goods, work in progress and Stock-in- trade	18	-	-
	Employee benefits expense	19	750.30	698.29
	Finance Costs		-	-
	Depreciation and amortization expense	4	8.45	7.76
	Other expense	20	1,257.82	799.14
	Total Expense		2,016.57	1,794.36
V	Profit before tax (III-IV)		(1,995.24)	(1,458.06)
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		4.43	5.16
			4.43	5.16
VII	Profit for the period (V -VI)		(1,999.68)	(1,463.22)
VIII	Other Comprehensive Income			
	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	Total Comprehensive Income for the period (VII + VIII) (Comprising Profit and Other Comprehensive Income for the period)		(1,999.68)	(1,463.22)
X	Earnings per equity share:	21		
	(1) Basic		(0.49)	(0.36)
	(2) Diluted		(0.49)	(0.36)
	The accompanying notes form an integral part of the financial statements			

In terms of our report attached.

On behalf of the Board of Directors

For, Ashit N Shah & Co

Chartered Accountants

Charms Industries Limited

(FRN : 100624W)

Shivkumar R Chauhan
Managing Director
(DIN:00841729)
Nehalben S Chauhan
Director
(DIN:02901331)
Ashit Shah
Proprietor
Mem . No. : 036857
Date : 28-05-2026
Place : AHMEDABAD
Paresh Joshi
Chief Financial Officer
Date : 28-05-2026
Place : AHMEDABAD
Dileep Panchal
Company Secretary

Charms Industries Limited

CIN: L72900GJ1992PLC017494

Statement of Changes in Equity for the year ended 31st March, 2026

(` in Thousands)

<u>Particulars</u>	<u>Attributable to the equity holders of the company</u>			
	Reserves and Surplus			Total
	Equity Share Capital	Net Surplus in Statement of P&L	General Reserve	
<u>Balance as at 31st March,2024</u>	41,061.00	(42,559.61)	3,146.53	1,647.92
Profit for the year	-	(1,463.22)	-	(1,463.22)
Add/(Less): Other comprehensive Income	-	-	-	-
<u>Balance as at 31st March,2025</u>	41,061.00	(44,022.83)	3,146.53	184.70
Profit for the year	-	(1,999.68)	-	(1,999.68)
Add/(Less): Other comprehensive Income	-	-	-	-
<u>Balance as at 31st March,2026</u>	41,061.00	(46,022.51)	3,146.53	(1,814.98)

Note : Figures in brackets indicate negative figures.

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

In terms of our report of even date

For, Ashit N Shah & Co

Chartered Accountants

(FRN : 100624W)

For and on behalf of the Board of Directors

Shivkumar R Chauhan

Managing Director

(DIN:00841729)

Nehalben S Chauhan

Director

(DIN:02901331)

Ashit Shah

Proprietor

Mem . No. : 036857

Date : 28-05-2026

Place : AHMEDABAD

Paresh Joshi

Chief Financial Officer

Date : 28-05-2026

Place : AHMEDABAD

Dileep Panchal

Company Secretary

CHARMS INDUSTRIES LIMITED
CIN: L72900GJ1992PLC017494
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2026

(` in Thousands)

	Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax	(1,995.24)	(1,458.06)
	Adjustment for		
	Add :		
	Depreciation	8.45	7.76
	Less:		
	Profit on sale of Property, Plant and Equipment	8.45	7.76
	Operating Profit Before Working Capital Changes (Increase) / Decrease in Current Assets	(1,986.79)	(1,450.30)
	Trade and Other Receivables	-	246.40
	Inventories	-	-
	Other current assets	(530.31)	0.85
	Increase / (Decrease) in Current Liabilities		
	Trade and Other Payables	-	-
	Other current Liabilities	922.30	768.19
	Cash Generated From Operations		
	Direct Taxes Paid	-	-
	NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES (A)	(1,594.81)	(434.87)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Proceeds from Investments		
	Purchase of Property, Plant and Equipment	(35.00)	-
	NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)	(35.00)	-
C.	CASH FLOW USED IN FINANCING ACTIVITIES		
	Repayment of long Term Borrowings	-	-
	Proceeds from Short Term Borrowings	-	-
	Loans given	1,200.00	-
	NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES (C)	1,200.00	-
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(429.81)	(434.87)
	Add : Cash and Cash Equivalents balance as at 1st April	1,135.44	1,570.31
	Cash and Cash Equivalents as at 31st March	705.63	1,135.44

The accompanying Notes are integral part of these Financial Statements.

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

On behalf of the Board of Directors

Charms Industries Limited

In terms of our report of even date

For, Ashit N Shah & Co

Chartered Accountants

(FRN : 100624W)

Shivkumar R Chauhan
Managing Director
(DIN:00841729)

Nehalben S Chauhan
Director
(DIN:02901331)

Ashit Shah

Proprietor

M. No. 036857

Date: 28-05-2026

Place : Ahmedabad

Paresh Joshi
Chief Financial Officer

Date : 28-05-2026

Place : AHMEDABAD

Dileep Panchal
Company Secretary

CHARMS INDUSTRIES LIMITED

CIN: L72900GJ1992PLC017494

Notes to the Financial Statements as at 31st March, 2026

NOTES 4 Property, Plant & machinery

(` in Thousands)

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
SR. NO.	DESCRIPTION OF ASSETS	As on 01/04/2025	Addition During the Year	Deduction During the Year	As on 31/03/2026	As on 01/04/2025	Depreciation for the Year	Deduction/Addition due to adjustment During the Year	As on 31/03/2026	As on 31/03/2026	As on 31/03/2025
1	Office Building	999.08	-	-	999.08	903.89	-	-	903.89	95.19	95.19
2	Office Partition	12.34	-	-	12.34	12.34	-	-	12.34	-	-
3	Furniture & Fixtures	939.64	-	-	939.64	920.78	-	-	920.78	18.86	18.86
4	Computer	2,475.94	-	-	2,475.94	2,462.79	7.76	-	2,470.54	5.39	13.15
5	Printer	12.60	-	-	12.60	11.97	-	-	11.97	0.63	0.63
6	Physical Health Recorders	7,000.00	-	-	7,000.00	6,713.35	-	-	6,713.35	286.65	286.65
7	Air Conditioner	90.85	35.00	-	125.85	89.33	0.69	-	90.02	35.83	1.52
8	Office Equipment	7.95	-	-	7.95	7.95	-	-	7.95	-	-
9	Vehicle	1,920.79	-	-	1,920.79	1,877.76	-	-	1,877.76	43.03	43.03
10	Television	40.00	-	-	40.00	39.42	-	-	39.42	0.58	0.58
	Total	13,499.18	35.00	-	13,534.18	13,039.57	8.45	-	13,048.02	486.16	459.61
	Previous Year	13,499.18	-	-	13,499.18	13,031.81	7.76	-	13,039.57	459.61	467.37

Note - 5 Investment

(` in Thousands)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
	Non current Investments		
	In-House Property	3,303.00	3,303.00
	Total	3,303.00	3,303.00

Note - 6 Trade Receivables

(` in Thousands)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
1	Unsecured , Considered Good		
	(a) Outstanding for more than six months	-	-
	(b) Others	-	-
	Total	-	-

Note - 7 Cash & Cash Equivalents

(` in Thousands)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
1	Cash on Hand	105.55	105.55
2	Balances with Banks	600.08	1,029.89
	Total	705.63	1,135.44

Note - 8 Loans

(` in Thousands)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
1	Unsecured Loan to others	-	1,200.00
	Total	-	1,200.00

Note - 9 Other Current Assets

(` in Thousands)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
1	Advances other than capital advances		
	(a) Other Advances		
	(i) Balance with Government Authorities	72.10	7.67
	(ii) Other advances	465.88	-
2	Others		
	Interest receivable	-	-
	Total	537.98	7.67

Note - 10 Equity Share Capital

(` in Thousands)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
1	AUTHORIZED SHARE CAPITAL 45,00,000 Equity Shares of Rs. 10/- each [Previous Year : 45,00,000 Equity Shares of Rs.10/- each]	45,000.00	45,000.00
	Total	45,000.00	45,000.00
2	ISSUED , SUBSCRIBED & FULLY PAID UP CAPITAL 41,06,100 Equity Shares of Rs.10/- each fully paid-up. [Previous Year : 41,06,100 Equity Shares of Rs.10/- each]	41,061.00	41,061.00
	Total	41,061.00	41,061.00

10.1 The reconciliation of the number of Equity Shares outstanding as at 31st March 2026 is set out below :

Particulars		As at 31st March, 2026		As at 31st March, 2025	
		No. of shares	` in Thousands	No. of shares	` in Thousands
Add:	Shares outstanding at the beginning of the year	41,06,100	41,061.00	41,06,100	41,061.00
	Shares issued during the year	-	-	-	-
	Shares outstanding at the end of the year	41,06,100	41,061.00	41,06,100	41,061.00

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, 2026		As at 31st March, 2025	
	No. of Shares	% of holding	No. of Shares	% of holding
Shivkumar R Chauhan	9,68,540	23.59%	9,68,540	23.59%
Somisetty Giridhar Gupta	2,04,735	4.99%	2,19,580	5.35%

10.4 The details of shareholders holding Promoters and Promoters group are set out below

Name of the shareholders	As at 31st March, 2026		As at 31st March, 2025	
	No. of Shares	% of holding	No. of Shares	% of holding
Shivkumar R Chauhan	9,68,540	23.59%	9,68,540	23.59%
Nehal S Chauhan	31,923	0.78%	31,923	0.78%

Note - 11 Other Equity

(` in Thousands)			
Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
A	Retained Earnings		
	Balance as per last Financial year	(44,022.83)	(42,559.61)
	Add : Profit for the year	(1,999.68)	(1,463.22)
	Adjustments as per Ind AS	-	-
		(46,022.51)	(44,022.83)
B	Capital Reserve	3,146.53	3,146.53
	Total	(42,875.98)	(40,876.30)

Note - 12 Deferred Tax Liability(Net)

(` in Thousands)			
Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
1	DEFERRED TAX LIABILITIES :		
	Arising on account of timing difference		
	- Fixed Assets : Impact of difference between Tax Depreciation and Depreciation / amortization charged for the financial reporting	58.23	53.80
	TOTAL DEFERRED TAX LIABILITIES	58.23	53.80
	Total	58.23	53.80

12.1 Reconciliation of deferred tax liabilities(Net):

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening balance	53.80	48.64
Tax (income)/expense during the period recognised in profit or loss	4.43	5.16
Tax (income)/expense during the period recognised in other comprehensive income		
Tax (income)/expense during the period recognised directly in other equity		
Closing balance	58.23	53.80

Note - 13 Borrowings

(` in Thousands)			
Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
	(a) From Directors	3,925.00	3,925.00
	(b) From other related parties	100.00	100.00
	Total	4,025.00	4,025.00

Note - 14 Other Current Liabilities

(` in Thousands)			
Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
1	Other Payables*	120.92	29.62
2	Advance from customers	1,143.60	603.60
	Total	1,264.52	633.22

* Includes Statutory Dues

Note - 15 Provisions

(` in Thousands)

Sr. No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
1	Provision for employee benefits		
	Unpaid salary	1,500.00	1,200.00
2	Others		
	Provision for Expenses	-	9.00
	Total	1,500.00	1,209.00

Note: 16 Revenue from Operations

(` in Thousands)

Sr. No	PARTICULARS	As at 31st March, 2026	As at 31st March, 2025
1	Revenue from operations	-	321.00
	Total	-	321.00

Note: 17 Other Income

(` in Thousands)

Sr. No	PARTICULARS	As at 31st March, 2026	As at 31st March, 2025
1	Interest Income	11.33	5.00
2	Other Income	10.00	10.30
	Total	21.33	15.30

Note: 18 Changes in Inventories of Finished Goods, Work-In-Progress And Stock-In-Trade

(` in Thousands)

Sr. No	PARTICULARS	As at 31st March, 2026	As at 31st March, 2025
	Opening Stock		
	Stock-in-Trade	-	-
	Total (A)	-	-
	Closing Stock		
	Stock-in-Trade	-	-
	Total (B)	-	-
	Total (A-B)	-	-

Note: 19 Employee Benefits Expense

(` in Thousands)

Sr. No	PARTICULARS	As at 31st March, 2026	As at 31st March, 2025
	Salary & Wages	450.30	398.29
	Directors Remuneration	300.00	300.00
	Total	750.30	698.29

Note: 20 Other Expenses

(` in Thousands)

Sr. No	PARTICULARS	As at 31st March, 2026	As at 31st March, 2025
1	Administrative Expense		
	To Auditors		
	- Audit fees	40.00	40.00
	Accounting Charges	15.00	18.00
	Demat Charges	1.53	-
	Electricity Charges	30.98	41.19
	Vehicles Expenses	53.47	82.16
	Advertisement Exp.	46.92	37.17
	Bank Charges	1.36	3.15
	Legal and Professional fees Expenses	77.36	416.68
	Loss on Futures & Options	495.56	-
	Printing & Stationery Exp.	-	18.59
	Telephone Exp.	14.94	26.18
	Office Exp.	24.39	11.53
	Property Tax	59.92	-
	Website Expense	10.00	-
	Internet expense	8.40	4.50
	Fees & Taxes	374.46	-
	BSE Penalty	-	100.00
	Software Expense	3.54	-
	Total	1,257.82	799.14

Note - 21 Earning Per Share

(` in Thousands)

Sr. No	PARTICULARS	As at 31st March, 2026	As at 31st March, 2025
	Net Profit attributable to the Equity Shareholders		
1	(A)	(1,999.68)	(1,463.22)
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
	Basic/Diluted Earnings per Share (Rs.)		
4	(A/B)	(0.49)	(0.36)

Note - 22 Related party disclosures**(A) Key management personnel (KMP):**

Sr. No.	Name	Designation
1	Shivkumar R Chauhan	Managing Director
2	Dilipkumar Joshi	Independent Director
3	Ashok Mankodi	Independent Director
4	Nehalben S Chauhan	Director
5	Parth S Chauhan	Director
6	Dileep Panchal	Company Secretary
7	Paresh Joshi	CFO

(B) Other related parties:

Sr. No.	Particulars	Nature of relationship
1	Charms Forex Pvt Ltd	Entity under same management

22.1 Disclosures of Transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2026

(` in Thousands)

Sr No.	Key Managerial Personnel	Nature of transaction	Year ended March 2026	Year ended March 2025
1	Charms Forex Pvt Ltd	Loan received	-	-
2	Charms Forex Pvt Ltd	Loan repaid	-	-
3	Shivkumar R Chauhan	Remuneration	300.00	300.00
4	Shivkumar R Chauhan	Loan received	-	-
5	Nehal Chauhan	Loan received	-	-
6	Nehal Chauhan	Closing Balance of loan	1,200.00	1,200.00
7	Shivkumar R Chauhan	Closing Balance of loan	2,725.00	2,725.00
8	Charms Forex Pvt Ltd	Closing Balance of loan	100.00	100.00

22.2 Breakup of compensation paid to key management personnel:

(` in Thousands)

Sr. No.	Particulars	Key management personnel	Year ended 31st March, 2026	Year ended 31st March, 2025
1	Short-term employee benefits	Shivkumar R Chauhan	300.00	300.00
	Total		300.00	300.00

22.3 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 - 23 Contingent Liabilities and Commitments (To the extent not provided for)**

The Company do not have any contingent liabilities and commitments.

Note - 24 Scheme of Reduction of Paid up Equity Share Capital

It is to be noted that the Hon'ble National Company Law Tribunal, Ahmedabad bench vide Order dated March 26, 2026 has approved the reduction of share capital of the company, from Rs. 4,10,61,000/- divided into 41,06,100 equity shares of Rs. 10/- each fully paid up to Rs. 41,06,100/- divided into 41,06,100 equity shares of Re.1/- each fully paid up and such reduction shall be effected by cancelling the paid up capital amounting to Rs. 3,69,54,900/-. Further, the company is allowed to cancel capital reserve of Rs 31,46,530/- by adjustment in the debit balance of Profit & Loss Account and therefore the total amount of adjustment in the debit balance of profit and loss account shall be aggregating to Rs 4,01,01,430/-. The Scheme for Reduction of Share Capital provides that the Scheme shall be considered effective on the date on which the order and minutes of reduction are registered by the Registrar of Companies (Ahmedabad). The ROC Ahmedabad had issued a certificate dated April 21, 2026 registering the Order and minutes and therefore, the equity share capital, capital reserve and profit and loss account reflected herein as on March 31, 2026 is prior to the effect of the Scheme. Further, the Company had fixed May 20, 2026 as the record date for the purpose of giving effect to the reduction of paid up equity share capital.

Note - 25**(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.

(iii) Liquidity Risk

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) Capital Risk Management

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	(` in Thousands)	
	As at 31st March, 2026	As at 31st March, 2025
Total Debt	4,025.00	4,025.00
Adjusted net debt	4,025.00	4,025.00
Total Equity		
Equity	(1,814.98)	184.70
Total debt to total equity ratio	(2.22)	21.79

Note - 26 Financial Instruments :

The Company uses the following hierarchy for determining the fair value of financial

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.

A. Financial Assets (` in Thousands)						
Particulars	Note	Instruments carried at		Total carrying amount	Total Fair Value	
		Fair Value	Amortized cost			
		FVTOCI	Carrying amount			
As at 31st March 2025						
Investments (Unquoted)	5	-	3,303.00	3,303.00	3,303.00	Level 3
Cash and cash equivalents	7	-	1,135.44	1,135.44	1,135.44	
Loans	8	-	1,200.00	1,200.00	1,200.00	
Total		-	5,638.44	5,638.44	5,638.44	
As at 31st March 2026						
Investments (Unquoted)	5	-	3,303.00	3,303.00	3,303.00	Level 3
Cash and cash equivalents	7	-	705.63	705.63	705.63	
Loans	8	-	-	-	-	
Total		-	4,008.63	4,008.63	4,008.63	

B. Financial Liabilities					
Particulars	Note	Instruments carried at		Total carrying amount	Total Fair Value
		Fair Value	Amortized cost		
		FVTOCI	Carrying amount		
As at 31st March 2025					
Borrowings	13	-	4,025.00	4,025.00	4,025.00
Total		-	4,025.00	4,025.00	4,025.00
As at 31st March 2026					
Borrowings	13	-	4,025.00	4,025.00	4,025.00
Total		-	4,025.00	4,025.00	4,025.00

Note - 27 Additional Regulatory Information

Ratio	Numerator	Denominator	CY	PY	Reason for variance
Current Ratio (In times)	Total Current Assets	Total Current Liabilities	0.18	0.40	Reduced due to decrease in current assets and increase in current liabilities
Debt-Equity Ratio (In times)	Debt	Equity	-2.22	21.79	Increased due to reduction in shareholders equity
Debt Service Coverage Ratio (In times)	Earning for Debt Service = Net Profit after taxes	Debt service = Interest and lease payments +	-	-	
Return in equity ratio (In %)	Profit for the year	Avg Total Equity	-	-	
Trade receivables turnover ratio (In times)	Revenue from Operations	Avg Trade Receivable	-	2.61	Reduced due to decrease in turnover
Trade payables turnover ratio (In times)	Total supplier Purchase	Avg Trade Payables	-	-	
Net capital turnover ratio (In times)	Revenue from Operations	Avg Working Capital	-	(0.11)	Due to increase in avg working capital

Note - 28

The Company possess one office building held as Property, Plant and Equipment having carrying value of Rs. 95,185 whose title deeds are not held in the name of the Company during the financial year ended March 31, 2026 and March 31, 2025.

Note - 29 Additional Regulatory Information

(A) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

(B) The company does not have any proceeding initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(C) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(D) The company is not declared wilful defaulter by any bank or financial Institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(E) The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note - 30

Previous Year's figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.

In terms of our report of even date

For, Ashit N Shah & Co

Chartered Accountants

(FRN : 100624W)

Ashit Shah

Proprietor

M. No. 036857

Place : Ahmedabad

Date: 28-05-2026

On behalf of the Board of Directors

Charms Industries Limited

Shivkumar R Chauhan

Managing Director

(DIN:00841729)

Paresh Joshi

Chief Financial Officer

Date : 28-05-2026

Place : AHMEDABAD

Nehalben S Chauhan

Director

(DIN:02901331)

Dileep Panchal

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2026

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 trading activity.

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.

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 judgements, 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 recognised prospectively.

Judgements:

Information about judgements 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 frame work 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, is used 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.

3. 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 costand
- 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 formanaging 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 assetgive rise on specified dates to cash flows that are solely payments ofPrincipal 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 recognised 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 exists 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 (up to) the date on which asset is ready for use (disposed of).

iv. Derecognition

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 valuing 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. 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 into 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 a reduction 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. Earnings per Share

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

10. Cash Flow Statement

Cash flows are reported using the indirect method where by 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.

ATTENDANCE SLIP

Charms Industries Limited

Registered office: 108-B/109 Sampada Building Mithakhali Six Roads Opp-Hare Krishna
Complex B/H Kiran Motors Ahmedabad GJ 380009 India

CIN: L72900GJ1992PLC017494

Email: charmsltd@yahoo.com Website: charmsindustries.co.in

DPID/ CLIENT ID:

Registered Folio No.:

No of Shares:

Name(s) and address of the Shareholders/Proxy in Full:

I, Certify that I am a Shareholder/ Proxy of the Shareholder of the Company. I/We hereby accord my/our presence at the Annual General Meeting of the Company being held on Wednesday, September 30, 2026 at 01:30 p.m. at the Registered office of the Company situated at "108- B/109 SAMPADA BUILDING MITHAKHALI SIX ROADS OPP-HARE KRISHNA COMPLEX B/H KIRAN MOTORS AHMEDABAD GJ 380009 INDIA

Signature of Shareholder/ Proxy

NOTE: Please fill in the Attendance Slip and hand it over at the entrance of the Hall



FORM NO. MGT-11

PROXY FORM

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

CHARMS INDUSTRIES LIMITED

CIN: L72900GJ1992PLC017494

Registered Office: 108-B/109, Sampada Building, Mithakhali Six Roads, Opposite Hare Krishna Complex, Behind Kiran Motors, Ahmedabad – 380009, Gujarat

E-mail: charmsltd@yahoo.com

Website: www.charmsindustries.co.in

Name of the Member(s): _____

Registered Address: _____

E-mail ID: _____

Folio No. / Client ID: _____

DP ID: _____

I/We, being the Member(s) holding _____ equity shares of the above-named Company, hereby appoint:

1.

Name: _____

Address: _____

E-mail ID: _____

Signature: _____

or failing him/her

2.

Name: _____

Address: _____

E-mail ID: _____

Signature: _____

or failing him/her

3.

Name: _____

Address: _____

E-mail ID: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held on Wednesday, September 30, 2026 at 01:30 P.M. (IST) at the Registered Office of the Company situated at 108-B/109, Sampada Building, Mithakhali Six Roads, Opposite Hare Krishna Complex, Behind Kiran Motors, Ahmedabad – 380009, Gujarat, and at any adjournment thereof, in respect of such resolutions as are indicated below:

Item No.	Particulars	For	Against
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and the Auditors thereon.		
2	To appoint a Director in place of Mr. Parth Shivkumar Chauhan (DIN: 07571829), who retires by rotation and, being eligible, offers himself for re-appointment as a Director of the Company.		
3	Appointment of M/s Nisarg Sharma & Associates, Company Secretaries, as Secretarial Auditor of the Company.		
4	Alteration Of The Object Clause And Adoption Of A New Set Of Memorandum Of Association Of The Company.		
5	Adoption of a new set of Articles of Association of the Company.		

Signed this _____ day of _____, 2026.

Affix Revenue Stamp

Signature of Member(s): _____

Signature of Proxy Holder(s): _____



NOTES:

1. This Proxy Form, in order to be effective, must be duly completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM. The Proxy need not be a Member of the Company.
2. A person may act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, and such person shall not act as proxy for any other Member.
3. Please put a “√” in the appropriate column against the resolution concerned. If the “For” or “Against” column is left blank, the Proxy shall be entitled to vote in such manner as he/she considers appropriate.
4. Appointment of a Proxy does not prevent a Member from attending and voting at the Meeting in person if the Member so desires.
5. Please complete all particulars in the Proxy Form before submission.



ROUTE MAP TO THE VENUE OF THE 34TH ANNUAL GENERAL MEETING CHARMS INDUSTRIES LIMITED

Venue / Registered Office:

108-B/109, Sampada Building,
Mithakhali Six Roads,
Opposite Hare Krishna Complex,
Behind Kiran Motors,
Ahmedabad – 380009, Gujarat.

Date: Wednesday, September 30, 2026

Time: 1:30 P.M. (IST)

