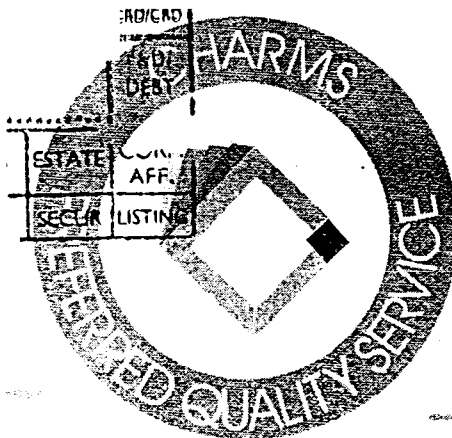


# **CHARMS INDUSTRIES LIMITED**

**ANNUAL REPORT  
2007-08**

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# CHARMS INDUSTRIES LIMITED

Annual Report 2007-08

## BOARD OF DIRECTORS

Shri Shivkumar R. Chauhan CMD  
 Shri Kanubhai M. Thakar  
 Shri Dinesh M. Patel  
 Shri Dahyabhai B. Sachaniya  
 Shri Harshad S. Gandhi

## AUDITORS

M/s. Praful N. Shah & Co.,  
 Chartered Accountants  
 Ahmedabad.

## REGISTRAR & SHARE TRANSFER AGENT

Pinnacle Shares Registry Pvt. Ltd  
 Near Ashoka Mills, Naroda Road,  
 Ahmedabad- 380 025.

## REGISTERED OFFICE

108-B/109, Sampada Building,  
 B/h. A.K. Patel House,  
 Mithakhali Six Roads,  
 Navrangpura, Ahmedabad-380 009.

## Contents

01	Notice
04	Directors' Report
07	Management Discussion and Analysis Report
08	Corporate Governance Report
15	Auditors' Report
18	Balance Sheet
19	Profit & Loss Account
19	Schedules
23	Notes on Accounts
30	Balance Sheet Abstract
31	Cash Flow Statement
32	Proxy Form and Attendance Slip



## CHARMS INDUSTRIES LIMITED

Annual Report 2007-08 1

### NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of the Company will be held on Tuesday, the 30th September, 2008 at 11.00 A.M. at Ground Floor, Sampada Building, B/h. A.K. Patel House, Mithakhali Six Road, Navrangpura, Ahmedabad-380009 to transact the following business;

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2008 and the Audited Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dinesh M. Patel who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

#### SPECIAL BUSINESS

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such modification as may be prescribed or imposed while granting such approval, permissions and sanctions which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent be and is hereby accorded to the Board to Delist the Company's Shares from the Ahmedabad Stock Exchange Ltd., Ahmedabad without offering an exit option to the Shareholders of the Region concerned at such time as the Board may in its discretion, consider appropriate and on terms and conditions as may be stipulated and / or mutually agreed to in the best interest of the company.

"RESOLVED FURTHER THAT "the Board" be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution."

Regd office :  
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Mithakhali Six Roads,  
Navrangpura, Ahmedabad – 380 009.

By Order of the Board  
For, Charms Industries Ltd.

Shivkumar R. Chauhan  
Chairman & Managing Director

PLACE : Ahmedabad

DATE : 02-09-2008

FOR. CHARMS INDUSTRIES LTD.  
*Shivkumar R. Chauhan*  
DIRECTOR


**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Shares Transfer Books of the Company will remain closed from 25th September, 2008 to 30th September, 2008 (both days inclusive) for the purpose of Annual General Meeting.
3. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours upto the date of the Annual General Meeting.
4. Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting as copies of Annual Report will not be distributed at the Annual General Meeting.
5. Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Annual General.
6. Members are requested to notify immediately any change of address:
  - (i) to their Depository Participants (DP) in respect of shares held in demateridized form, and
  - (j) to the Company at its Registered Office or to its Registrar & Share Transfer Agent M/s. Pinnacle Shares Registry Pvt Ltd, in respect of their physical shares, if any, quoting their Registered Folio No.
7. Any query relating to Accounts and/or Operations of the Company are requested to be sent to the Company's Registered Office at least ten days before the date of the Meeting, so that the information can be made available at the meeting.
8. As required in terms of Clause 49 of the Listing Agreement, the details of the Directors who are proposed to be re-appointed/appointed are furnished below:

Shri Dineshbhai M. Patel, retires by rotation and being eligible offers himself for re-appointment. Shri Dineshbhai M. Patel, aged about 72 years, has done Ph.D. in Chemistry. He has good experience in the field of Chemistry and also having good management skill. Shri Dineshbhai M. Patel is not a Director in any other company.

Regd office :  
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Navrangpura, Ahmedabad – 380 009.

By Order of the Board  
For, Charms Industries Ltd.

Shivkumar R. Chauhan  
Chairman & Managing Director

PLACE : Ahmedabad

DATE : 02-09-2008


**ANNEXURE TO THE NOTICE**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

**Item Nos. 4.**

Presently, the Company's shares are listed at the Ahmedabad Stock Exchange Ltd, Ahmedabad and The Bombay Stock Exchange Ltd, Mumbai. Since the company's shares have been rarely traded in the Ahmedabad Stock Exchange Ltd., Ahmedabad and in view of the fact that the company's shares continue to be listed and traded at the Bombay Stock Exchange Ltd., the shareholders from all over the country have greater access to trade in their shares. SEBI (Delisting of Securities) Guidelines 2003 permit the company to delist its shares from other Stock Exchanges without giving an exit option if they are listed and traded at the Bombay Stock Exchange Ltd. or National Stock Exchange of India Ltd subject to prior approval of shareholders by a Special Resolution.

As required under SEBI Regulations for voluntary delisting by the company, member's approval by a Special Resolution is required for this purpose and hence the proposed resolution under item no. 4 above.

The above resolution is in the interest of the company and therefore recommended by the Board for approval by the shareholders.

The Board of Directors of the company is concerned and/or interested in this resolution to the extent of their shareholding.

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By Order of the Board  
For, Charms Industries Ltd.

Shivkumar R. Chauhan  
Chairman & Managing Director

PLACE : Ahmedabad

DATE : 02-09-2008



# CHARMS INDUSTRIES LIMITED

Annual Report 2007-08 4

## DIRECTORS' REPORT

To,

**THE MEMBERS,**

Your Directors have pleasure in presenting their 16th Annual Report together with the Audited Statement of accounts for the year ended 31st March, 2008.

### FINANCIAL RESULTS

The working results of the Company for the year ended on 31st March, 2008 are as follows:-  
Rs (in lacs)

	As On 31.03.2008	As On 31.03.2007
Profit of the year	6.78	6.45
Less.: Depreciation	2.98	3.82
<b>Profit Before Taxation (PBT)</b>	<b>3.81</b>	<b>3.13</b>
Less : Provision for Taxation	1.25	1.00
<b>Profit After Tax (PAT)</b>	<b>2.56</b>	<b>2.13</b>
Add. Profit brought forward	7.40	5.27
Surplus available for appropriation	9.96	7.40

### OPERATIONS

Despite keen competition in the field of Foreign Exchange business, the Company was able to maintain the sales of foreign currency of Rs. 6.39 Lacs this year as against 4.18 Lacs for the previous year. The management is trying to improve the same and is hopeful for the same. The Managing Director is also negotiating with other Industrialist for the diversification of present activity.

### DIVIDEND

To conserve the resources for the future requirement of the company, your directors have not recommended any dividend for the year.

### FIXED DEPOSITS

During the year under report, the Company has not accepted any deposit to which the provisions of Section 58A of the Companies Act, 1956 are applicable.

### DELISTING OF SHARES FROM THE AHMEDABAD STOCK EXCHANGE LTD.

The equity shares of the Company are listed on the Bombay Stock Exchange Ltd. and the Ahmedabad Stock Exchange Ltd.. As no trading in the equity share of the Company has been done at the Ahmedabad Stock Exchange Ltd. since long and in view of the fact that the company's shares continue to be listed and traded at the Bombay Stock Exchange Ltd., the shareholders from all over the country have greater access to trade in their shares. SEBI (Delisting of Securities) Guidelines 2003 permit the company to delist its shares from other Stock Exchanges without giving an exit option if they are listed and traded at the Bombay Stock Exchange Ltd. or National Stock Exchange of India Ltd subject to prior approval of shareholders by a Special Resolution. Therefore the Board of your Company proposes required resolution for your approval.



## CHARMS INDUSTRIES LIMITED

Annual Report 2007-08 5

### PARTICULARS REGARDING EMPLOYEES

During the year under report, none of the employees was in receipt of remuneration exceeding the limits prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

### PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

#### A. CONSUMPTION OF ENERGY & TECHNOLOGY ABSORPTION:

The details as required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 in respect of Conservation of Energy, Technology Absorption are not applicable.

#### B. FOREIGN EXCHANGE EARNING & OUTGO:

The details as required in respect of foreign exchange earning and outgo are not applicable.

### DIRECTORATE

Shri Dinesh M. Patel retires by rotation as Director of the Company at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm the following.

1. In the preparation of the annual accounts, the Accounting Standards to the extent applicable had been followed along with proper explanations relating to material departures.
2. Adequate accounting policies had been selected & applied them consistently and made judgments and estimates that are reasonable & prudent so as to give true & fair view of the state of affairs of the company at the end of financial year and of the profit of the company for that period.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of this Act, for safeguarding the assets of the company & for preventing & detecting fraud & other irregularities.
4. The annual accounts have been prepared for the financial year ended 31st March, 2008 on a going Concern basis.

### REPORT ON CORPORATE GOVERNANCE

A detailed report on Corporate Governance is annexed to this Annual Report. The Company has complied with the conditions of corporate governance as stipulated in clause 49 of the listing agreement. The certificate obtained from the auditors of the company regarding compliance of conditions is annexed to this report.

### AUDITORS

The Auditors M/s. Praful N. Shah & Co., Chartered Accountants, Ahmedabad retire and being eligible offer themselves for re-appointment. You are requested to re-appoint the auditors and fix their remuneration.



**CHARMS INDUSTRIES LIMITED**

Annual Report 2007-08 6

**OBSERVATIONS OF AUDITORS / AUDITORS' REPORT**

The observations of Auditors and Notes on Accounts are self-explanatory and therefore do not call for any further explanation.

**LISTING**

The Shares of the Company are listed on the Stock Exchanges at Ahmedabad and Mumbai. Listing fees has been paid to the Exchange.

**ACKNOWLEDGEMENT**

The Board places on record the appreciation of the sincere and devoted services rendered by all the employees and the continued support and confidence of the Shareholders. The Board also expresses their sincere thanks to the Banks and all other well wishers for their timely support.

Regd office :  
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By Order of the Board  
For, Charms Industries Ltd.

Shivkumar R. Chauhan  
Chairman & Managing Director

PLACE : Ahmedabad

DATE : 02-09-2008