

**26<sup>th</sup>**  
**ANNUAL REPORT**  
**2017-18**

**CHARMS INDUSTRIES**  
**LIMITED**

**26<sup>th</sup> ANNUAL REPORT 2017-2018**

**BOARD OF DIRECTORS**

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

**BANKERS**

- INDIAN OVERSEAS BANK
- ICICI BANK
- DEVELOPNMNET CREDIT BANK

**AUDITORS**

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

**REGISTERED OFFICE**

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

**REGISTAR AND SHARE TRANSFER AGENT**

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

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

## MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

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

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

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

Warm regards,

Shivkumar Raghunandan Chauhan  
Managing Director  
(DIN-00841729)

## NOTICE

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

### ORDINARY BUSINESS:

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

### SPECIAL BUSINESS:

#### 3. APPOINTMENT OF STATUTORY AUDITORS TO FILL CASUAL VACANCY :

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

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

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

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

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

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

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

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

**Place: Ahmedabad**

**Date: 14<sup>th</sup> August, 2018**

#### IMPORTANT NOTES:

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

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

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

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

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

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

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

#### **VOTING THROUGH ELECTRONIC MEANS:**

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

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

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

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

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

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

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

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

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

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

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

**Place: Ahmedabad**  
**Date: 14<sup>th</sup> August, 2018**

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT,  
2013**

**ITEM No. 3**

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

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

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

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

**ITEM No. 4**

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

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

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

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

**For and on behalf of the Board**

**Sd/-**

**Harsad Shantilal Gandhi**

**Chairman & Director**

**(DIN: 01056779)**

**Place: Ahmedabad**

**Date: 14<sup>th</sup> August, 2018**



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

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

**\*Pvt. Companies excluded**

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

**Place: Ahmedabad**

**Date: 14<sup>th</sup> August, 2018**

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



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