



CHARMS

INDUSTRIES LTD.

For. CHARMS INDUSTRIES LTD.
Director

Report Junction.com

**11th Annual Report
2002-2003**

REGISTERED OFFICE

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

CHARMS INDUSTRIES LIMITED

2002-2003

BOARD OF DIRECTORS

Shri Shivkumar R. Chauhan

Shri Sanat V. Shah

Shri Pankaj N. Patel

Smt. Nehal S. Chauhan

Shri Kanubhai M. Thakar

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AUDITORS

M/s. Praful N. Shah & Co.

Chartered Accountants

Ahmedabad.

TRUE COPY
For. CHARMS INDUSTRIES LTD
Shivkumar
DIRECTOR

REGISTERED OFFICE

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

CHARMS INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the Members of the Company will be held on Tuesday, the 30th September, 2003 at 11.00 A.M. at Lucky Apartment, B/h. Bandhu Samaj Society, Nr. Naranpura Railway Crossing, Ushmanpura, Ahmedabad - 380 013, to transact the following business.

ORDINARY BUSINESS

- (1) To receive, consider and adopt the audited Balance Sheet as at 31st March 2003 and Profit & Loss Account for the year ended on that date, together with the Directors' Report and the Authors' Report thereon.**
- (2) To appoint a Director in place of Shri Shivkumar R. Chauhan Who retires by rotation and being eligible, offers himself for re-appointment.**
- (3) To appoint a Director in place of Shri Sanat V. Shah who retires by rotation and being eligible, offers himself for reappointment.**
- (4) To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.**

Place : Ahmedabad

Date : 2-9-2003

**BY ORDER OF THE BOARD
SHIV KUMAR R. CHAUHAN
CHAIRMAN & MANAGING DIRECTOR**

CHARMS INDUSTRIES LIMITED

NOTES

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY TO BE VALID SHALL BE DEPOSITED AT THE REGISTERED / PRINCIPAL OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.
- (2) The Register of Members and the Share Transfer Register of the Company will remain closed from 16 September 2003 to Monday 30 September 2003 (both days inclusive).
- (3) Members / Proxies should bring the Attendance Slip duly filled in for attending the Meeting. For shares held in dematerialised form, the DP ID and Client ID numbers should be indicated in the Attendance Slip.
- (4) For shares held in physical form, any change in address/other details may be intimated immediately to the Registrars and Transfer Agents viz., Pinnacle Shares Registry Pvt. Ltd., Near Ashoka Mills, Naroda Road, Ahmedabad-380 025 by quoting the Follo Number(s). For shares held in demat form, change in address/other details may be intimated directly to the Members' Depository Participant.
- (5) The Company's Equity Shares are presently listed at the Ahmedabad and Mumbai Stock Exchanges and annual listing fees has been paid to the Exchanges in time.
- (6) MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE ENCOURAGED TO NOMINATE A PERSON TO WHOM THEIR SHAREHOLDING IN THE COMPANY SHALL VEST IN THE EVENT OF DEATH. Nomination forms will be sent to the Members on request by the Registrars and Transfer Agents.

Place : Ahmedabad

Date : 2-9-2003

TRUE COPY
FOR, CHARMS INDUSTRIES LTD.
Shiv Kumar
DIRECTOR

BY ORDER OF THE BOARD
SHIV KUMAR R. CHAUHAN
CHAIRMAN & MANAGING DIRECTOR

CHARMS INDUSTRIES LIMITED

DIRECTORS' REPORT

To,
Members,

Your Directors have pleasure in presenting the 11th Annual Report along with Audited Statements of Accounts for the financial year ended 31st March 2003.

FINANCIAL RESULTS OF OPERATIONS :-

(Rs. IN LACS)

	2001-2002	2002-2003
Sales of Foreign Currency	401.07	265.49
Sales of Govt. Stationary & Other	9.01	2.55
Interest Income / Misc. Income	23.26	23.45
Purchases	397.44	261.81
Administrative & Other Expenses	23.03	23.40
Profit Before Depreciation & Taxation	6.35	5.10
Depreciation	3.08	2.88
Profit Before Taxation	3.27	2.22
Provision for Income Tax	1.20	0.75
Profit After Tax	2.07	1.47
Adjustment of Earlier Year	1.68	----
Add. Balance brought forward	0.20	0.59
Balance Brought to Balance Sheet	0.59	2.05

PERFORMANCE REVIEW & FUTURE ACTIVITY

Your Directors regret to inform you that after the disturbance in U.S.A. the foreign exchange Business has been down to some extent. As a result, against the sales of Rs. 401.07 lacs of foreign currency which was in last year, the same is only Rs. 265.49 lacs this year, which has effected the profit of the current year.

Like-wise the orders from postal authorities are also not received this year.

The new business of airtel celluler phones are found satisfactory.

The Directors are hopeful to have the good business in the next year.

The Investment of surpuls money have earned interest of Rs. 23.19 lacs.

DIRECTORS

Director Shri Shivkumar R. Chauhan and Sanat V. Shah retire by rotation. Being elibigle they offer themselves for re-efection.

CHARMS INDUSTRIES LIMITED

FIXED DEPOSITES

The company has not invited any Fixed Deposits from the public during the year under report.

NOTICE ON ACCOUNTS :-

The auditor's observation and relevant notes on the accounts are self-explanatory and therefore, do not call for further comments.

AUDITORS

The Company's auditors M/s Parful N. Shah & Co. Chartered Accountants will retire at the ensuing Annual General Meeting, but being eligible, offer themselves for re-appointment. The members are requested to appoint the auditors for the current year and to fix their remuneration.

EMPLOYEES

There were no employees in the company drawing of more than Rs. 24,00,000/- p.a. or Rs. 2,00,000/- p.m. during the year as required to be reported u/s 217 (2A) of the Companies Act, 1956.

The relation with the employees of the Company remained cordial & the Directors wish to record their appreciation of their dedicated services with the company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUT GO:

The particulars of the above matters, as required to be reported u/s 217 (2A) of the Companies Act, 1956 are not applicable to the company.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provision of Section 217 (2AA) of the Companies Act, 1956, your directors state that :

1. In the preparation of accounts, the application accounting standards have been followed.
2. Accounting policies selected were applied consistently. Reasonable & prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the company as of March, 31, 2003 and of the profit of the company for the year ended on that date.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
4. The annual accounts of the company have been prepared on a going concern basis.

ACKNOWLEDGEMENT

The Board of Directors wishes to thank the Bankers and the employees of the company for extending their co-operation and continues support of the company.

Place : Ahmedabad

Date : 21-5-2003

BY ORDER OF THE BOARD
SHIV KUMAR R. CHAUHAN
CHAIRMAN & MANAGING DIRECTOR

CHARMS INDUSTRIES LIMITED

ANALYSIS OF FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE

The accompanying financial statement have been prepared in accordance with the requirement of the Companies Act, 1956 and Generally Accepted Accounting Principles and Accounting Standards prevailing in India. An analysis of balance Sheet reveals an overall improvement in the financial position.

A. FINANCIAL CONDITION

1. Share Capital

The Share Capital of the Company remained constant at Rs. 410.61 Lacs

2. Loan Funds

Secured

Secured loans were Rs. 5.34 lacs on 31.03.2003 as against Rs. 2.35 as on 31.03.2002.

3. Fixed Assets

At the end of the year. Company's investment in fixed assets was as under.

	Year ended March 31.		
	2001	2002	2003
Gross Block (Rs. in lacs)	53.22	53.22	64.04

The composition and growth of assets was as under :

Particulars	March 31, 2003	March 31, 2002	Growth%
Land	8.65	8.65	--
Buildings	9.99	8.43	18.51
Office Air Conditioners	0.91	0.54	67.83
Office Partition	0.12	--	--
Office Equipments	0.08	--	--
Computer Printers	24.32	19.75	23.13
Furniture & Fixtures	12.36	8.26	49.64
Vehicles	7.59	7.59	--
Total	64.03	53.22	20.41
Less : Accumulated Depreciation	28.58	25.70	11.21
Net Fixed Assets	35.45	27.52	
Depreciation as % to total Revenue	12.16	6.35	
Accumulated Depreciation as % to gross Block	44.63	48.29	

CHARMS INDUSTRIES LIMITED

4. Current Assets, Loans & Advances

Inventories

Inventories represents stock of Foreign Currency of Rs. 89,817 as at 31-3-2003, representing 0.26% of the total assets.

Sundry Debtors

Sundry debtors were Rs. 0.67 lacs as at 31st March, 2003 as against Rs. 3.66 lacs as at 31st March, 2002. Debtors as a percentage of total operating revenue were 0.23% for the current year as against 0.84% for previous year.

Cash and Bank Balances

Cash and Bank Balances were 33.56% of total assets as on 31st March, 2003 as against 35.25% as on 31st March, 2002.

Loans & Advances

Loans & Advances mainly comprise of advanced for purchase of Equipments. Advances recoverable in cash or kind or for value to be received represents loans / advances of surplus money to companies and other parties. Security deposits mainly represents deposits to stock Exchange and for Airtel business.

5. Current Liabilities & Provisions

Current Liabilities

Sundry Creditors represents unpaid amounts for expenses.

REPORT ON CORPORATION GOVERNANCE

1. Company's Philosophy on code of governance :

Corporate Governance is the concept of beneficent and benevolent governance of corporate. The Company firmly believes in Compliance with the code of best Corporate practices which inculcate professional Management, transparency and accountability.

2. Board of Director

- a. The Board consists of a Chairman & Managing Director and 4 Directors as on 31.03.2003 holding responsible positions with vast and varied experience.
- b. During the year, 6 Board Meetings were held on the following dates :
30/04/02, 31/05/02, 31-07-2002, 31-10-2002, 31-01-2003 and 30-03-2003.
- c. Constitution of Board of Directors and related information :

CHARMS INDUSTRIES LIMITED

Name of the Director	Category	No. of Board Meeting	Attendance at last AGM	No. of Outside Directorship(s) as on March 31 / 2003	No. of Outside Board Committee membership(s) chairmanship(s) as on 31.03.2003
Shri Shivkumar R. Chauhan	Chairman & M.D.	6	Nil	Nil	Nil
Shri Pankaj N. Patel	Director	6	Yes	Nil	Nil
Shri Sanat V. Shah	Director	6	Yes	Nil	Nil
Shri Kanubhai M. Thakar	Director	6	Yes	Nil	Nil
Smt. Nehal S. Chauhan	Director	6	Yes	Nil	Nil

3. Audit Committee :

During the period, the Audit Committee met 3 times :

Constitution period the Audit Committee and related information :

<u>Name of the Director</u>	<u>Category</u>	<u>No. of Meeting held/attended</u>
Shri Shivkumar R. Chauhan	Chairman	3/3
Shri Pankaj N. Patel	Member	3/3
Shri Sanat V. Shah	Member	3/3

4. Remuneration Committee :

Chairman & Managing Director Shri Shivkumar R. Chauhan has been paid @ Rs. 7,000 per month during the year.

5. Investors, Grievance Committee :

The Investors, Grievance Committee is of Shri Shivkumar R. Chauhan as Chairman and Shri Sanat V. Shah as Members.

Name of Complaints : Received : 4
 Resolved : 4
 Pending : Nil

A Close watch is maintained over all compliant and steps taken to resolve the same to the satisfaction of the investors.

CHARMS INDUSTRIES LIMITED

6. Annual General Meetings :

The last three Annual General Meeting were held as under.

Financial Year	Date	Time	Venue
2001-2002	30th, September, 2002	11.00 A.M.	Ground Floor, Lucky Apartment, B/h. Bandhu Samaj, Usmanpura, Ahmedabad - 380 013.
2000-2001	30th September, 2001	11.00 A.M.	--- D. O. ---
1999-2000	30th September, 2000	11.00 A.M.	--- D. O. ---

7. Disclosures :

During the year, there were no transactions with the Director or the management, subsidiary or relatives that had potential conflict with interest of the Company.

8. Means of Communication :

Quarterly results have been submitting to both the Stock Exchanges i.e. at Ahmedabad as well as Mumbai, where the Company's Shares are listed.

9. General Shareholder Information :

(a) AGM
 Date 30.09.2003
 Time 11.00 A.M.
 Venue Ground Floor, Lucky Apartment, Behind Bandhu Samaj Society, Usmanpura, Ahmedabad-380 013.

(b) Date of Book Closer 16/09/2003 to 30/09/2003
 (Both days inclusive)
 Ahmedabad and Mumbai Stock Exchanges.

(c) Market Price Date : High and Low during each month for last six month :

Month / Year	High	Low
March, 2003	Rs. 2.50	Rs. 1.20

(d) Demat ISIN Number of equity Shares : INE 442C01012

(e) Stock Code :- 531327

(f) Registrar and share Transfer Agent : Pinnacle Share Registry Pvt. Ltd.
 Nr. Asoka mills, Naroda Road,
 Ahmedabad-380 025.