

**FORM A  
COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED  
WITH THE STOCK EXCHANGES**

1.	Name of the Company:	Charms Industries Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-Qualified
4.	Frequency of Observation	N.A

5. To be signed by-

• Managing Director

*Shivkumar R. Chauhan*  
(Shivkumar R. Chauhan)  
(Din: 00841729)

• Chief Financial Officer

*Biren J. Thaker*  
(Biren J. Thaker)

• Auditor of the company

*Praful N. Shah*  
For, Praful N. Shah & Co.  
(Praful N. Shah)  
Proprietor



• Audit Committee Chairman

*H. S. Gandhi*  
(Harsad S. Gandhi)  
(Din: 01056779)

**23<sup>rd</sup>**  
**ANNUAL REPORT**  
**2014-15**

**CHARMS INDUSTRIES LIMITED**

**23<sup>rd</sup> ANNUAL REPORT 2014-15****KEY MANAGERIAL PERSONNEL & BOARD OF DIRECTORS**

Shri Shivkumar R. Chauhan	Managing Director (DIN: 00841729)
Shri Harshad S. Gandhi	Director (DIN: 01056779)
Shri Dahyabhai B. Sachaniya	Director (DIN: 02468095)
Shri Nishit M. Rupapara	Director (DIN: 02859031)
Mrs. Nehal Shivkumar Chauhan	Director (w.e.f 06/04/2015) (DIN: 02901331)
Shri Ketan N. Shah	Managing Director (upto 30/05/2014) (DIN: 00913411)
Shri Nayan C. Shah	Director (upto 30/05/2014) (DIN: 00823070)
Shri Sandip R. Shah	Director (upto 30/05/2014) (DIN: 00912721)
Shri Ashokkumar R. Patel	Director (upto 30/05/2014) (DIN: 02993352)
Shri Biren J. Thaker	Chief Financial Officer (w.e.f 28/05/2015)

**AUDITORS**

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

**BANKERS**

Indian Overseas Bank  
ICICI Bank  
Development Credit Bank

**REGISTRAR & SHARE TRANSFER AGENT**

**Sharepro Services (India) Pvt Ltd.**  
416-420, 4th Floor, Devnandan Mall,  
Opp. Sanyash Ashram, Ellisbridge, Ahmedabad – 380 006  
Email: sharepro.ahmedabad@shareproservices.com

**REGISTERED OFFICE**

108-B/109, Sampada Building,  
B/h. A. K. Patel House, Mithakali Six Roads,  
Navrangpura, Ahmedabad-380009  
Website: charmsindustries.in  
Email: charmsltd@yahoo.com

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**NOTICE**

(CIN:L72900GJ1992PLC017494)

NOTICE is hereby given that the **Twenty Third (23<sup>rd</sup>)** Annual General Meeting of the Members of the Company will be held on 30<sup>th</sup> September, 2015 at 11.30 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 as at 31<sup>st</sup> March, 2015 Statement of Profits & Loss and together with Cash Flow Statement and Notes forming part thereto ("Financial Statement") for the year ended on 31<sup>st</sup> March, 2015 and Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dahyabhai B. Sachania (Din: 02468095) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration

To consider and if thought fit, to give your assent/dissent to the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s PRAFUL N. SHAH & CO., Chartered Accountants, Ahmedabad be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of Twenty third (23<sup>rd</sup>) Annual General Meeting (AGM) till the conclusion of the Twenty Fifth (25<sup>th</sup>) Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

**SPECIAL BUSINESS:**

4. **Appointment of Mrs. Nehal S. Chauhan (DIN: 02901331) as a Director of the Company**

To consider and if thought fit, to give your assent/dissent to the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, Mrs. Nehal S. Chauhan (DIN: 02901331) who was appointed as the additional Director pursuant to provisions of section 161(1) of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of the Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination of retirement of directors by rotation.

5. **To appoint Mr. Harsad S. Gandhi (DIN: 01056779) as an Independent Director of the Company.**

To consider and if thought fit, to give your assent/dissent to the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 Act and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and pursuant to the provisions of Listing Agreement, Mr. Harsad S. Gandhi (DIN: 01056779), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from Mr. Harsad S. Gandhi (DIN: 01056779) under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five (5) consecutive years.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to sign the form DIR-12 and make arrangement to file the same with Registrar of Companies and intimate to Stock Exchange(s) and to take such other steps as may be necessary in this regard."

6. **To appoint Mr. Nishit M. Rupapara (DIN: 02859031) as an Independent Director of the Company.**

To consider and if thought fit, to give your assent/dissent to the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 Act and the rules made there under (including any statutory modification(s) or re-enactment

thereof for the time being in force) read with Schedule IV to the Act and pursuant to the provisions of Listing Agreement, Mr. Nishit M. Rupapara (DIN: 02859031), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from Mr. Nishit M. Rupapara (DIN: 02859031) under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five (5) consecutive years.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to sign the form DIR-12 and make arrangement to file the same with Registrar of Companies and intimate to Stock Exchange(s) and to take such other steps as may be necessary in this regard.”

**Regd office:**

108-B/109, Sampada Building,  
B/h. A. K. Patel House, Mithakali Six Roads,  
Navrangpura, Ahmedabad-380009.

**Date : 14/08/2015**

**Place : Ahmedabad**

By Order of the Board

**Harsad S. Gandhi**  
**Chairman & Director**  
**(DIN: 01056779)**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS 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, as applicable, issued on behalf of the nominating organisation.

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. The Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a 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. Members / Proxies / Authorised Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
6. 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, during business hours up to the date of the Meeting.
7. Profile of the Directors seeking appointment / re-appointment, as required in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, is annexed to this Notice.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday 23<sup>rd</sup> September 2015 to Wednesday 30<sup>th</sup> September 2015 (both days inclusive).
9. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission / transposition of shares. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holdings in dematerialised form or to Sharepro Services (India) Pvt. Ltd. 416-420, 4<sup>th</sup> Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380016, Gujarat in case of holdings in physical form, mentioning your correct reference folio number.
10. 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 Sharepro Services (India) Pvt. Ltd.416-420, 4<sup>th</sup> Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380016, Gujarat for assistance in this regard.

11. The Annual Report 2014-15 of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.charmsindustries.in](http://www.charmsindustries.in) and also on the website of the respective Stock Exchanges at [www.bseindia.com](http://www.bseindia.com).
12. Members desirous of getting any information about the Accounts of the Company are requested to write to the Company atleast seven days in advance of the Meeting, so that the information can be kept ready at the Meeting.
13. Process and manner for members opting for voting through Electronic means:
  - I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of Central Depository Services (India) Limited ("remote e-voting").
  - II. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. September 23, 2015, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
  - III. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. September 23, 2015, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.
  - IV. The voting period begins on September 27, 2015 (09:00 a.m.) and will end on September 29, 2015 (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. September 23, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - V. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
  - VI. The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting, may also attend the meeting, but shall not be entitled to cast their vote again.
  - VII. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. September 23, 2015.
  - VIII. The Company has appointed Devesh Khandelwal, Proprietor of Khandelwal Devesh & Associates, Practising Company Secretary (Membership No. FCS: 6897; CP No: 4202), to act as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.
  - IX. The procedure and instructions for remote e-voting are, as follows:
    - Step 1 : Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
    - Step 2 : Now click on "Shareholders" to cast your votes.
    - Step 3 : Now, fill up the following details in the appropriate boxes:
      - User-ID a) For CDSL : 16 digits beneficiary ID
      - b) For NSDL : 8 Character DP ID followed by 8 Digits Client ID
      - c) Members holding shares in physical form should enter the Folio Number registered with the Company.
    - Step 4 : Next, enter the Image Verification as displayed and Click on Login.  
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

Step 5 : If you are a first time user follow the steps given below:

	For members holding shares in demat form and physical form:
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. Members who have not updated their PAN with the Company/DepositoryParticipant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
<b>DOB#</b>	Enter the Date of Birth as recorded in dd/mm/yyyy format.
<b>Dividend Bank Details*</b>	Enter the Dividend Bank Details as recorded in your demat account or the Company records for the said folio. If the details are not recorded with the Depository or Company, please enter the number of Shares held by you in the bank account column.

#Please enter the DOB or dividend bank details in order to login.

Step 6 : After entering these details appropriately, click on "SUBMIT" tab.

Step 7 : Members holding shares in physical form will then directly reach the Company selection screen. However, first time user holding shares in demat form will now reach 'Password Creation' menu where in they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that the 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

If Demat account holder has forgotten the changed password then Enter the user ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

Step 8 : For members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

Step 9 : Click on the EVSN for the relevant <Company Name> on which you choose to vote.

Step 10 : On the voting page, you will see Resolution Description and against the same, the option "YES/NO" for voting. Select the relevant option as desired YES or NO and click to submit.

Step 11 : Click on the resolution file link if you wish to view the entire Notice.

Step 12 : 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. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

Step 13 : You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

Step 14 : Note for Non – Individual Members and Custodians:

- Non-Individual Members (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details, a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scan 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.

The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.charmsindustries.in and on the website of CDSL i.e. www.cdslindia.com within three days after the conclusion of Annual General Meeting of the Company and shall also be communicated to Stock Exchanges where the shares of the Company are listed.

**Brief resume of the Directors seeking appointment/re-appointment at the 23<sup>rd</sup> Annual General Meeting**

<b>NAME OF DIRECTORS</b>	<b>Mr. NISHIT M. RUPAPARA</b>	<b>Mrs. NEHAL S. CHAUHAN</b>	<b>Mr. HARSAD S. GANDHI</b>	<b>Mr. DAHYABHAI B. SACHANIA</b>
Age /Date of Birth	07/02/1983	09/05/1970	22/06/1966	01/12/1937
Date of Appointment	31/08/2009	06/04/2015	27/09/2006	08/06/2006
Qualification and experience in specific functional area	MBA with Finance having around 8 years of management, finance and administration experience	Commerce graduate and Housewife.	Commerce graduate and having more than 20 years of experience of management and administration.	Civil Engineer having more than 45 years of experience of construction and general administration
Directorship held in other companies*	NIL	NIL	NIL	NIL
Membership / Chairmanships of Committee in other Public Companies	NIL	NIL	NIL	NIL

\*Pvt. Companies excluded



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**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT  
TO SECTION 102 OF THE COMPANIES ACT, 2013**

In conformity with the provisions of section 102 of the companies act, 2013, following explanatory statement sets out all material facts relating to the special businesses mentioned in accompanying notice dated 14<sup>th</sup> August, 2015 should be taken as a forming part of the Notice.

**ITEM: 4****Appointment of Mrs. Nehal S. Chauhan as a Director of the Company**

The Board of directors, at its meeting held on 6<sup>th</sup> April, 2015 appointed Mrs. Nehal Chauhan (Din: 02901331) as an Additional director of the Company with effect from 6<sup>th</sup> April, 2015.

Pursuant to provision of section 161 of the Companies Act, 2013 Mrs. Nehal Chauhan (Din: 02901331) will hold office up to the date of ensuing Annual general Meeting. The Company has received notice in writing under the provision of the Companies Act, 2013, from a member along with a deposit of Rs. 100000/- proposing the candidature of Mrs. Nehal Chauhan as a director of the Company.

None of the Director of the Company except Mr. Shivkumar R. Chauhan, Managing Director (Din: 00841729) relative of Mrs. Nehal S. Chauhan and Mrs. Nehal S. Chauhan (Din: 02901331) to whom the resolution relates, are interested or concerned in the resolution.

The Board of Directors recommends the resolution for approval of shareholders

**ITEM: 5 & 6**

As per the provisions of Section 149(4) of the Companies Act, 2013 (the "Act") and Clause 49 of Listing Agreement entered into with the Stock Exchanges ("Clause 49"), every listed company shall have at least 1/3<sup>rd</sup> of its total number of directors as Independent Directors and Section 149(6) of the Act and Clause 49 II B (1) of Listing Agreement, lays down the criteria for independence.

Mr. Harsad S. Gandhi (DIN: 01056779) and Mr. Nishit M. Rupapara (DIN: 02859031), Directors of the Company, have furnished declarations to the Company under Section 149(7) of the Act, confirming that they meet the criteria prescribed for independent directors under Section 149(6) of the Act as well as Clause 49. Keeping in view the vast experience and knowledge of the aforesaid directors, it will be in the interest of the Company to appoint them as Independent Directors.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement and such Independent Directors are independent of the management. Further, all the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and are not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In terms of Section 149(11) of the Act, an independent director can hold office for two terms of up to 5 consecutive years each on the board of the company. Whereas, explanation to Section 149(10) and (11) further provides that any tenure of an independent director before commencement of the Act shall not be reckoned while calculating maximum terms of office of Independent Directors under the Act.

Accordingly, it is proposed to appoint Mr. Harsad S. Gandhi (DIN: 01056779) and Mr. Nishit M. Rupapara (DIN: 02859031), as Independent Directors of the Company for a period of 5 (Five) consecutive years with effect from the date of this Annual General Meeting, as set out at Item Nos. 5 and 6 of this Notice. Notices, as required under Section 160 of the Act along with the requisite deposit of Rs.100000/- have been received from them proposing their respective candidature as Independent Directors of the Company.

Upon the approval of the Members of the Company on the said resolutions, the appointment shall be formalized by way of issuance of the letter of appointment by the Company to the said Independent Directors.

Copy of the draft letter of appointment of all aforesaid directors as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Brief profile of the said Directors, in terms of Clause 49 of the Listing Agreement is provided at the end of this Notice.

The Board accordingly recommends the resolutions at Item Nos. 5 and 6 of this Notice for the approval of the Members.

None of the said Directors are related to any of the Director of the Company. Other than the Independent Directors themselves and their relatives in the respective resolution, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item Nos. 5 and 6 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

**Regd office:**

108-B/109, Sampada Building,  
B/h. A. K. Patel House, Mithakali Six Roads,  
Navrangpura, Ahmedabad-380009.

**Date : 14/08/2015**

**Place : Ahmedabad**

By Order of the Board

**Harsad S. Gandhi**  
**Chairman & Director**  
**(DIN: 01056779)**