

CHARMS INDUSTRIES LIMITED

(CIN: L72900GJ1992PLC017494)

Reg. Office: 108-B/109Sampada Building, Mithakhali Six Roads, Opp-Hare Krishna Complex,
B/H Kiran Motors, Ahmedabad-380009 Gujarat

Contact No. 09898031513, Website: www.charmsindustries.co.in, E-mail: charmsltd@yahoo.com

Date: 08-09-2023

To,
BSE LIMITED,
P.J. Towers,
Dalal Street,
Mumbai-400001.

Sub.: Notice of 31st Annual General Meeting and Annual Report for the Financial Year 2022-23.
BSE Scrip Code: 531327

Dear Sir,

We would like to inform you that the 31st Annual General Meeting ("AGM") of the Company is scheduled to be held on Saturday, September 30, 2023 at 12.30 p.m. at the Registered Office of the Company in compliance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India to transact the business mentioned in the Notice of 31st Annual General Meeting.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Notice of 31st Annual General Meeting and Annual Report for the Financial Year 2022-23, which is being sent through electronic mode to all eligible Shareholders of the Company whose email IDs are registered with the Company/ Registrar and Transfer Agent (RTA) of the Company or the Depository Participants.

The Copy of the Notice of 31st Annual General Meeting and Annual Report for the Financial Year 2022-23 is also available on the Company's website at charmsindustries.co.in

Thank You,
Yours faithfully,
For, CHARMS INDUSTRIES LIMITED

Shivkumar
Raghunanda
n Chauhan

Digitally signed by
Shivkumar
Raghunandan Chauhan
Date: 2023.09.08
15:26:05 +05'30'

SHIVKUMAR CHAUHAN
MANAGING DIRECTOR
DIN - 00841729

CHARMS INDUSTRIES LIMITED

31st Annual Report

2022-23

CORPORATE INFORMATION

BOARD OF DIRECTORS

Harsad Shantilal Gandhi
(Chairman and Independent Director)

Shivkumar Raghunandan Chauhan
(Managing Director)

Nishit Madhavbhai Rupapara
(Independent director)

Nehal Shivkumar Chauhan
(Executive Director)

Parth Shivkumar Chauhan
(Executive Director)

CHIEF FINANCIAL OFFICER

Biren Jagdishkumar Thaker

COMPANY SECRETARY AND COMPLIANCE OFFICER

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

SECRETARIAL AUDITOR

M/s. Vishwas Sharma & Associates
Company Secretaries

INTERNAL AUDITOR

Paresh P. Joshi
Chartered Accountant

REGISTRAR AND SHARE TRANSFER AGENT

Big share Services Private Limited
A-802, Samudra Complex,
Near Klassic Gold Hotel,
Off C.G. Road Navrangpura, Ahmedabad-380009, Gujarat

CORPORATE IDENTIFICATION NUMBER

L72900GJ1992PLC017494

Website: charmsindustries.co.in

Email: charmsltd@yahoo.com

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NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of Charms Industries Limited will be held on Saturday, September 30, 2023 at 12:30 p.m. 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- 38000, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2023 and the Reports of the Board of Directors and Auditors thereon.**
2. **To appoint Director in place of Mrs. Nehalben Shivkumar Chauhan (DIN: 02901331), who retires by rotation and being eligible, offers herself for re-appointment as a Director of the Company.**

Special Business:

3. **To Re-appoint Mr. Shivkumar Raghunandan Chauhan (DIN: 00841729) as a Managing Director of the Company w.e.f. 15th June, 2024, for a period of three years.**

To consider and if thought fit, to give your assent/dissent to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 and rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Shivkumar Raghunandan Chauhan (DIN: 00841729), as Managing Director of the Company for a period of 3 (three) years with effect from June 15, 2024 to June 14, 2027 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment including remuneration in such manner as may be agreed between the Board of Directors and Mr Shivkumar Chauhan.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

4. **Considered and approved new set of Memorandum of Association (MoA) of the Company as per Companies Act, 2013:**

To, consider and, if thought fit, to give your assent/dissent the pass the following resolution as a Special Resolution

“RESOLVED THAT pursuant to the provisions of Section 13 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and other applicable provisions, including any modification(s) thereto or re-enactment(s) thereof for the time being in force, consent of the members of the Company be and are hereby accorded to substitute the existing Memorandum of Association of the Company with new sets of Memorandum of Association (MOA) as per the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorized on the behalf of the Company to sign and submit necessary E-Forms with the Registrar of Companies, Ahmedabad and to do all such acts, deeds, matters and things as may be necessary in this regard to give effect to the aforesaid resolution.”

5. **Considered and approved new set of Articles of Association (AoA) of the company as per Companies Act, 2013:**

To, consider and, if thought fit, to give your assent/dissent the pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and other applicable provisions, including any modification(s) thereto or re-enactment(s) thereof for the time being in force, consent of the members of the Company be and are hereby accorded to substitute the existing Articles of Association of the Company (AOA) with new sets of Articles of Association (AOA) as per the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorized on the behalf of the Company to sign and submit necessary E-Forms with the Registrar of Companies, Ahmedabad and to do all such acts, deeds, matters and things as may be necessary in this regard to give effect to the aforesaid resolution.”

For and on behalf of the Board
Sd/-

Harsad Shantilal Gandhi
Chairman & Director
(DIN: 01056779)

Place: Ahmedabad
Date: 04/09/2023

IMPORTANT NOTES:

1. The Annual General Meeting (AGM) will be held on Saturday, September 30, 2023 at 12.30 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- 38000, Gujarat
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies to attend and vote on a poll instead of himself/herself and such proxy/ proxies need not be a member of the company. Duly completed instrument of proxies in order to be effective must be reached the registered office of the Company not less than 48 hours before the scheduled time of the meeting. 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, provided a member holding more than 10% of the total share capital may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
3. Members/proxies are requested to bring their copy of Annual Report to the Meeting and bring in duly filled attendance slips enclosed herewith to attend the meeting. Shareholders/ Proxy holders are requested to produce at the entrance, duly filled and signed attendance slips for admission to the Meeting Hall.
4. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto along with this Annual Report
5. A remote e-voting facility for the members shall also be provided in terms of Section 108 of the Companies Act, 2013 and rules made there under and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise the right at the meeting. The members who have 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.
6. In terms of the provisions of Section 152 of the Act Mrs. Nehalben Shivkumar Chauhan, retires by rotation as a Director at this Meeting. Mr. Shivkumar R. Chauhan & Mrs. Nehalben S. Chauhan and Mr. Parth Shiv Kumar Chauhan and his relatives shall be deemed to be interested in the Ordinary Resolution set out at Item No.2 of the Notice of AGM with regard to her re-appointment. Save and except above, none of the Directors/Key Managerial Personnel of the Company/their relatives are, in anyway, concerned or interested, financially or otherwise, in the Ordinary Business set out at Item No. 2 of the Notice of AGM.
7. A detailed profile of Mr. Shivkumar R. Chauhan and Mrs. Nehalben Shivkumar Chauhan along with additional information required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard on General Meetings is provided separately by way of an Annexure to the Notice of AGM.
8. SEBI has mandated that for registration of transfer of the shares in the demat form only after 1stApril, 2019. Therefore, it is advised to the shareholders, holding their shares in the physical form to get convert into the Demat form.
9. Corporate members intending to send their authorized representative to attend the Annual General Meeting are requested to ensure that the authorized representative carries a certified copy of the Board resolution, Power of Attorney or such other valid authorizations, authorizing them to attend and vote on their behalf at the Annual General Meeting
10. In compliance with the aforesaid MCA Circulars and Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated January 05, 2023, notice of the AGM along with Annual Report for the financial year 2022-23 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depository Participants, unless any member has requested for a physical copy of the same. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com For members who have not registered their email address, may write to the Company Secretary at charmsltd@yahoo.com, and physical copies of the Notice of the Meeting are being sent through permitted mode
11. Members of the Company under the Category of "Institutional Investors" are encouraged to attend and vote at the AGM.
12. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the Ordinary Business to be transacted at the Annual General Meeting is annexed hereto
13. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM
14. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of members and share transfer books of the Company will remain closed from Sunday, September 24, 2023 to Saturday, September 30, 2023 (both days inclusive) for the purpose of Annual General Meeting.

15. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their question in writing to the Company by email at charmsltd@yahoo.com, so as to reach the registered office of the Company at least 10 days but not later than September 25, 2022 before the date of the meeting so that information required may be made available at the time of the Meeting so as to enable the management to keep the information ready.
16. In case of joint holders, the Members/Proxies whose name appears as the first holder in the order of name as per the Register of Members of the Company will be entitled to vote during the AGM
17. Members can opt for only one mode of voting i.e. either by e-voting or Physical voting at AGM. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast at AGM shall be treated as invalid.
18. Those Shareholders whose email ids are not registered can get their email id registered as follows:
- Members holding shares in demat form can get their email id registered by contacting their respective Depository Participant.
 - Members holding shares in the physical form can get their email id registered by contacting our Registrar and Share Transfer Agent "Bigshare Services Private Limited" on their email id at bssahd@bigshareonline.com.
19. Members who wish to inspect the Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and Explanatory Statement on the date of AGM will be available for inspection in electronic mode can send an email to charmsltd@yahoo.com,
20. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-voting.
21. Pursuant to Regulation 26(4) and 36(3) of SEBI Listing Regulation and Secretarial Standard – 2 on General Meeting issued by the Institute of Company Secretaries of India, additional Information of Directors seeking appointment / re-appointment at the meeting are furnished and form a part of Annual Report.
22. Mandatory furnishing of PAN, bank account details, KYC details and nomination by shareholders:
- Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,
- (a) For shares held in electronic form: to their Depository Participants (DPs)
- (b) Members holding shares in physical mode are requested to note that SEBI vide its circular SEBI/ HO/MIRSDMIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021, has made it mandatory for holders of physical securities to furnish PAN, bank account details, email address, mobile number, postal address (KYC details), and to register their nomination or opt-out of nomination. SEBI has notified forms for the purpose, as detailed below:

Sr. No.	Particulars	Form
1.	Registration of PAN, Postal Address, Email Address, Mobile Number, Bank Account Details or changes/updation thereof;	ISR-1
2.	Confirmation of Signature of shareholder by the Banker	ISR-2
3.	Declaration for Nomination opt-out	ISR-3
3.	Registration of Nomination	SH-13
4.	Cancellation or Variation of Nomination	SH-14
5.	Declaration to opt out of Nomination	ISR-13

The above forms can be downloaded from the following web links: <http://charmsindustries.co.in/important-information-for-investors/>

Members holding shares in physical mode are requested to send the duly filled forms i.e., Form ISR-1, Form ISR-2, Form SH-13 or Form ISR-3 and along with requisite documents as mentioned in the respective forms to the address of Bigshare Services Private Limited (RTA).

Compulsory linking of PAN and Aadhaar:

Members are requested to note that in line with SEBI Circular dated March 16, 2023 read with SEBI Circular dated November 3, 2021 and December 14, 2021, RTA will accept only operative PAN (those linked with Aadhar) with effect from June 30, 2023 or such other date as

may be notified by Central Board of Direct Taxes (CBDT). Those folios in which PAN is not linked with Aadhar subsequent to the due date, shall be frozen by the RTA.

Freezing of Folios:

- Further, in line with this Circular, RTAs are required to freeze folios wherein PAN, KYC and nomination is not available on or after October 01, 2023. Any service request in respect of these frozen folios will be undertaken only after the complete details are lodged with the RTA.
- Members may note that with effect from April 01, 2024, the Company will not be able to execute any type of Corporate Action, in respect of frozen folios until the complete details as required including bank account details are furnished to the RTA. Further, from December 31, 2025 or such due date as may be notified by the Authority, the RTA is required to refer the details of the frozen folios to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form. However, members can continue to hold the shares in physical form.

SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or Company's Registrar and Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd for assistance in this regard.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said form can be downloaded from the website of the Company at charmsltd@yahoo.com and RTA at www.bigshareonline.com.

Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

As per the provisions of Section 72 of the Act, the facility for making Nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their Nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier Nomination and record a fresh Nomination, he / she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to M/s. Bigshare Services Private Limited in case the shares are held in physical form.

SEBI has mandated the submission of PAN by every participant of the securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company and/or RTA i.e. M/s. Bigshare Services Private Limited

23. Members holding shares in dematerialized form and desirous to change or correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR Code and IFSC to the Depository Participant.
24. The RTA/ Company shall verify and process the service requests and thereafter issue a "Letter of Confirmation" to the shareholders in lieu of the physical share certificates. The "Letter of Confirmation" shall be valid for 120 days from the date of its issuance within which shareholders of the Company shall make a request to the Depository Participant for dematerializing the said shares. In case the shareholder fails to submit the demat request within the aforesaid period, RTA / Company shall credit the securities to Suspense Escrow Demat Account of the Company.
25. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the relevant documents

referred to in the notice and the Explanatory Statement will be available, electronically, for inspection by the members during the AGM. All documents referred to in the notice will also be available for inspection from the date of circulation of this notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to charmsltd@yahoo.com.

- 26.** In all correspondence with the Company, for speedy communication, members are requested to quote their folio no. and in case their shares are held in dematerialised form, they must quote their DP ID and Client ID Number. Members are also requested to mention Contact No. & e-mail ID for faster communication.
- 27.** To support the "Green Initiative" and for receiving all communication (including notice and Annual Report) from the Company electronically:
- (a) Members holding shares in physical mode and who have not registered / updated their email addresses with the Company / RTA are requested to register / update the same by writing to the Company / RTA or by mailing the scanned copy of a signed request letter with details of Folio Number, complete address, email address to be registered and attaching a self-attested copy of the PAN Card at charmsltd@yahoo.com or to the Company's RTA at bssadh@bigshareonline.com.
 - (b) Members holding shares in dematerialized mode are requested to register/ update their email addresses with the relevant Depositories.
- 28. THE PROCEDURE AND INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:**
- i. The voting period begins on Wednesday, September 27, 2023 at 10.00 A.M. to Friday September 29, 2023 at 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 Saturday, September 23, 2023 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.
 - iii. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 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 (hereinafter referred as '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.
 - iv. Those Members who will be present in the Annual General Meeting physically and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote at the Annual General Meeting.
 - v. The Members who have casted their vote by remote e-Voting prior to the Annual General Meeting may also attend/ participate in the Annual General Meeting physically but shall not be entitled to cast their vote again.
 - vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com by mentioning their demat account number/ folio number, PAN, name and registered address. However, if he/ she is already registered with CDSL for remote e-Voting then he/ she can use his/ her existing User ID and password for casting the vote.
 - vii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the Annual General Meeting and prior to the Cut-off date i.e. Saturday, September 23, 2023 shall be entitled to exercise his/her vote at the Annual General Meeting.
 - vi. 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 is given below:

TYPE OF SHAREHOLDERS	LOGIN METHOD
Individual Shareholders holding securities in Demat mode with CDSL	<p>a. Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>b. After successful login the Easi/Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer/ Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</p> <p>c. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.</p> <p>d. Alternatively, the user can directly access E-Voting page by providing Demat Account Number and PAN No. from a link in 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 provided links for the respective ESP where the e-Voting is in progress during or before the Annual General Meeting.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>a. 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 or joining virtual meeting& voting during the meeting.</p> <p>b. 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.</p> <p>c. 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 or joining virtual meeting& voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>a. 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's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p>

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 athelpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
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 atevoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

v. Login method for e-Voting other than individual shareholders & physical shareholders

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on Shareholders
- 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. 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 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:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10digit alpha-numeric PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
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 as mentioned in instruction (iv).

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. 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.
- viii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the relevant <CHARMS INDUSTRIES LIMITED> on which you choose to vote.
- x. 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.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. 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.
- xvi. Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting through your mobile.
- xvii. Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.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 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.
- Alternatively, Non Individual shareholders are required 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, if 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 ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE.

- a. 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.
- b. For Demat shareholders -, please provide Demat account details (CDSL-16-digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN(self-attested scanned copy of PAN card), AADHAR(self-attested scanned copy of Aadhar Card) to Company/RTA email id.

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, under help section or write an email to helpdesk.evoting@cdslindia.com or call 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013, Maharashtra or send an email to helpdesk.evoting@cdslindia.com or call 022-23058542/43.

29. Mr. Vishwas Sharma, Practicing Company Secretary Proprietor of M/s. Vishwas Sharma & Associates (Membership No. FCS: 12606; COP No: 16942 has been appointed by the Board of Directors of the Company to scrutinize
30. 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.
31. The Scrutinizer shall within two working days from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
32. 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 www.charmsindustries.co.in and on the CDSL website www.evotingindia.com and communicated to the Stock Exchanges.

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.

If you have any queries or issues regarding attending Annual General Meeting & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai-400013, Maharashtra or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

For, Charms Industries Limited
Sd/-

Harsad Shantilal Gandhi
Chairman & Director
(DIN: 01056779)

Place: Ahmedabad
Date: 04/09/2023

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

NAME OF DIRECTORS	Mr. Nehal Shivkumar Chauhan	Mr. Shivkumar Raghunandan Chauhan
DIN	02901331	00841729
Date of Birth	09/05/1970	01/07/1958
Date of Appointment	06/04/2015	18/09/1993
Qualification and experience in specific functional area	H.S.C. and having more than 6 years of experience management and administration	B.A and having more than 23 years' of experience of management and administration
Directorship held in other companies*	NIL	N`IL
Membership / Chairmanships of Committee in other Public Companies	NIL	NIL
Number of shares held in the company	31923	968540
Relationship with any Director(s) of the Company	spouse of Mr. Shivkumar R. Chauhan and Mother of Mr. Parth S. Chauhan	spouse of Mrs. Nehal Chauhan and Father of Mr. Parth S. Chauhan

For and on behalf of the Board
Sd/-

HarsadShantilal Gandhi
Chairman & Director
(DIN: 01056779)

Place: Ahmedabad
Date: 04/09/2023

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') given hereunder sets out all material facts relating to the special business mentioned at Item No. 3, 4 and 5 of the accompanying Notice dated September 04, 2023:

Item:3

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on September 04, 2023 has re-appointed Mr. Shivkumar Chauhan as a Managing Director of the Company for a period of 3 (three) years w.e.f. June 15, 2024, subject to approval of the members in the ensuing Annual General Meeting upon terms and conditions to be entered into by the Company with her as approved by the Board of Directors. Mr Shivkumar Chauhan Shah possess more than 20 years of rich and diversified experience in Business Management and Administration. Due to her vast experience and continuous efforts, the company has achieved overwhelming success in a short span of time. It was due to her persistence and never tiring efforts, that the Company is able to achieve the growth in the past. Her continued efforts being Managing Director is immensely benefitting in the growth of the Company.

It would be therefore in the interest of the Company to re-appoint Mr. Shivkumar Chauhan as a Managing Director of the Company. The main terms and conditions of appointment of the above Managing Director (M.D.) as contained in the board resolution dated August 07, 2023 are furnished below:

- **Period:** For a period of 3 years from June 15, 2024 till June 14, 2027
- **Salary:** Upto Rs.3,00,000/- per month which is eligible for revision on a date to be determined by the Nomination and Remuneration Committee.
- **Perquisites and allowances:**
 1. Medical Reimbursement for self and family in accordance with the rules of the Company
 2. Leave Travel Assistance for self and family in accordance with the rules of the Company Leave on full pay as per the rules of the Company subject to maximum of one month's leave for every eleven months of services
 3. Free use of Company's car including maintenance and operation together with driver, the monetary value of which may be evaluated as per the Income Tax Rules, 1962.
 4. Free cell phone facility.
- **Duties:** Subject to the superintendence, direction, and control of the Board of Directors of the Company, the Managing Director shall be entrusted with substantial power of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 3 of the Notice for the reappointment of **Mr. Shivkumar Chauhan (DIN: 00841729)**.
- **TERMINATION:** Managing Director may be removed from his office for gross negligence, breach of duty or trust if a special Resolution to that effect is passed by the Company in its General Meeting. The Managing Director may resign from his office by giving 30 days' Notice to the Company.
- **COMPENSATION:** In the event of termination of office of Chairman & Managing Director takes place before the expiration of tenure thereof, Managing Director of the Company shall be entitled to receive compensation from the Company for loss of office to extent and subject to limitation as provided under Section 202 of the Companies Act, 2013.
- **OTHER TERMS AND CONDITIONS:**
 - a) In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.
 - b) "Family" means the spouse and dependent children of Mr. Shivkumar Chauhan.
 - c) Leave with full pay and allowances shall be allowed as per the Company's rules.
 - d) Reimbursement of entertainment expenses actually and properly incurred in the course of business Of the Company shall be allowed.
 - e) No sitting fees shall be paid to the Managing Director for attending the meetings of the Board of Directors or Committees thereof.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 4 of the Notice for the reappointment of **Mr. Shivkumar Chauhan (DIN: 00841729)**

A Statement containing the following information as per section II of Part II of Schedule V of the Companies Act, 2013.

1	Nature of Business	RBI registered full-fledged Money changer		
2	Date or expected date of commencement	The Company is already in existence and started its activities since 1992		
3	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA		
4	Financial Performance based on given indicators	Financial parameters	2022-23 (lakhs)	2021-22 (Lakhs)
		Total Revenue	2.68	5.75
		Net profit after tax	1.427	0.70
5	Foreign Investments or collaborations, if any.	NA		

II. Information about the appointees:

Sr. no.	Particulars	Mr. Shivkumar Chauhan
1	Background details	Mr. Shivkumar Chauhan is a graduate in Arts however he is having deep knowledge and vast experience in the field of finance. He looks after the Company's management and administration.
2	Past Remuneration	₹3,00,000/- p.a.
3	Recognition or awards	N.A
4	Job profile and his suitability	He is having more than 25 years' experience and looking after in the field of finance, management and execution and cost analysis.
5	Remuneration Proposed	Upto Rs.3,00,000/- (Rupees Three lakhs only)
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The prevalent levels of remuneration in industry are higher. Taking into consideration his involvement, responsibility and contribution being made by Mr. Shivkumar Chauhan, the proposed remuneration is reasonable and in line with the remuneration levels in the industry across the Country
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	spouse of Mrs. Nehal Chauhan and Father of Mr. Parth S. Chauhan

III. Other Information:

Reason of loss or inadequate profits	The Company has incurred losses in past years due to written off advance and investments which was not recoverable, writing off the loans & advances which were found doubtful of recovery and to adjustment of depreciation. .
Steps taken or proposed to be taken for improvement	The board has approved the Scheme of Capital Reduction of the Company subject to necessary approval and the Company is full pledge money changer and the tourism business is growing after the badly affected due to Covid -19, the Management is hopeful to improve the business by seeing high demand of foreign currency.
Expected increase in productivity and profits in measurable terms.	4-6% in next 3 years

Brief profile of Mr. Shivkumar Chauhan (DIN: 00841729) in terms of Regulation 36 (3) of the Listing Regulations is forming part of this notice.

Mr. Shivkumar Chauhan (DIN: 00841729) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Except Mr. Shivkumar Chauhan (DIN: 00841729), Mrs. Nehalben Shivkumar Chauhan (DIN:02901331) and Mr. Parth Shivkumar Chauhan (07571829), none of the Director of the Company and his relatives are concerned or interested in this resolution.

Item:4

The existing Memorandum of Association (MOA) is based on the erstwhile Companies Act. The Alteration of Memorandum of Association (MOA) is necessary to bring the existing Memorandum of Association (MOA) in line with the new Companies Act, 2013.

According to the new Act, the Companies now have only Main Business and Ancillary and Incidental Businesses to the attainment of Main Business, therefore, it is important to alter and adopt the new set of Memorandum of Association (MOA) as per the Companies Act, 2013. The new set of Memorandum of Association (MOA) is based on Table-A of the Companies Act, 2013.

A Copy of the proposed set of new Memorandum of Associations (MOA) of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day.

None of the Directors and Key Managerial Personnel of the Company, including their respective relatives, is concerned or interested, financially or otherwise, in the foregoing resolutions and except to the extent of their respective interest as shareholders of the Company.

The Board Recommend the passing of the resolution set out at Item No. 4 for the approval of the Members of the Company by a Special Resolution.

A copy of the proposed new set of Memorandum of Association of the Company would be available for inspection at the registered office of the Company on all working days up to and including the date of Annual General Meeting.

None of the director and their respective relatives of the Company are in any way interested in the resolution except to the extent of their shareholding in the Company.

Item:5

The existing Articles of Association (AOA) is based on the erstwhile Companies Act. The Alteration of Articles of Association (AOA) is necessary to bring the existing Articles of Association (AOA) in line with the new Companies Act, 2013.

With the coming into force of the new Act, several regulations of the existing Articles of Association (AOA) of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing Articles of Association (AOA) by a set of new Articles.

The new Articles of Association (AOA) to be substituted in place of existing Articles of Association (AOA) are based on Table-F of the Companies Act, 2013 which sets out the model of Articles of Association (AOA) for a Company limited by shares.

A Copy of the proposed set of new Articles of Association (AOA) of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day.

None of the Directors and Key Managerial Personnel of the Company, including their respective relatives, is concerned or interested, financially or otherwise, in the foregoing resolutions and except to the extent of their respective interest as shareholders of the Company.

The Board Re-commands the passing of the resolution set out at Item No. 5 for the approval of the Members of the Company by a Special Resolution..

For and on behalf of the Board

Sd/-

HarsadShantilal Gandhi

Chairman & Director

(DIN: 01056779)

Place: Ahmedabad

Date: 04/09/2023

DIRECTORS REPORT

To,
The Members of Charms Industries Limited.

The Directors are presenting this 31th Annual Report and the Audited Statement of Accounts for the year ended March 31, 2023.

1. FINANCIAL PERFORMANCE

Particulars	FOR THE YEAR ENDED MARCH 31, 2023 (RS In THOUSAND)	FOR THE YEAR ENDED MARCH 31, 2022 (RS In THOUSAND)
Income	255.00	-
Other Income	13.35	575.08
Total Income	268.35	575.08
Less : Expenditure	(1666.35)	(1237.93)
Profit/Loss before Interest , Depreciation and tax	(1454.80)	(737.85)
Less : Interest	0	0
Less : Depreciation & Amortization Cost	(28.40)	(37.50)
Profit/ Loss Before Tax	(1426.40)	(700.35)
Less : Tax Expenses	1.14	0.13
Profit / Loss after Tax	(1427.54)	(700.48)

The Financial Statements of the Company are prepared in accordance with Indian Accounting Standards (IND AS) including the Rules notified under the relevant provisions of the Companies Act, 2013, form part of the Annual Report and Accounts.

2. HIGHLIGHTS OF FINANCIAL SUMMERY

During the year under review, the company has incurred a loss of Rs.1427.54 thousand/-, which has been increased as compared to the last F.-Y. 2021-22 i.e. ₹ 700.48 thousand/-. The Company has faced many difficulties due to International travel restrictions during the financials year 2022-23, however now government has lift the travel restrictions and the management is optimizing that the growth of the company will be on better track and doing well in the upcoming Financial Year.

3. DIVIDEND

Since the company incurred loss during the year ended on March 31, 2023, the Board of Directors has not recommended any dividend for the year.

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

5. RESERVES

The Company has not transferred any amount to Reserves.

6. CHANG OF REGISTERED OFFICE

During the year under review, there was no change in address of Registered office of the Company.

7. SHARE CAPITAL

The Authorized share capital of the Company is ₹4,50,00,000 consisting of 45,00,000 Equity Shares of ₹10 each.

During the year under review, there was no change in the Authorized Share Capital of the Company.

The Issued, Subscribed and paid Up Capital of the Company is ₹4,10,61,000 consisting of 41,06,100 Equity Shares of ₹10 each.

There was no change in the Issued, Subscribed and paid Up Capital Share Capital of the Company during the year under review.

8. SCHEME OF ARRANGEMENT

The Board of directors in their Board Meeting held on 01.07.2023 has approved the Draft Scheme of Capital Reduction under Section 66 read with applicable rule & regulations and other applicable provisions of the Companies Act, 2013 subject to the necessary approvals.

This Scheme provides for undertaking of capital reduction of Charms Industries Limited (hereinafter referred as "CIL or "the Company"), whereby the paid-up share capital of the "CIL" shall be reduced from ₹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 that such reduction be effected by cancelling the paid up capital amounting to Rs 3,69,54,900 which has lost or is unrepresented by available tangible assets. Further, the Company also propose to cancel the capital reserve account of Rs.31,46,530 by adjustment in debit balance of Profit & Loss Account and therefore the total amount of adjustment in debit balance of Profit & Loss Account is aggregating to Rs.4,01,01,430, subject to all necessary approvals.

The reduction will be to the extent of Rs.9/- per share upon each of the 41,06,100 equity shares which have been issued by reducing the paid-up value of all the shares in the capital of the Company from Rs.10/- per share to Re.1/- per share. The debit balance of Profit & Loss Account of the Company will be written off to the extent of amount of the aforesaid reduction of share capital and Capital Reserve.

Further, the Scheme of Reduction of Capital does not result in any benefits to the Promoter / Promoter Group/Group Companies as there is no Change in percentage (%) of their shareholding.

The Company has filed an application to designated stock exchange i.e. BSE Limited under Regulation 37 of SEBI (LODR), Regulations 2015 for their observation letter. The application is under process with Stock Exchange.

• BACKGROUND AND RATIONALE TO THE SCHEME

Some of the rationales of the proposed Scheme are as under;

- The balance in Profit & Loss Account (debit) as at 31st March, 2023 was ₹4,12,35,570/- - (Rupees Four Crores Twelve Lakhs Thirty-five Thousand Five Hundred Seventy Only).
- The proposed reduction of the equity share capital of the Company would not have any adverse effect on the creditors of the Company or the Company's ability to full fill its commitments or meet its obligations in the ordinary course of business.
- The Scheme does not provide any cash pay out to affect the Reduction of Capital, therefore the scheme will not adversely affect the liquidity and/or financial position of the Company.
- The financial restructuring will help the Company to reflect better its operational efficiency, improvements in the future years and reflect the true share value.
- The Issued, Subscribed and Paid-up Share Capital, post reduction will be Rs.41,06,100/- divided into 41,06,100 equity shares of Re.1/- each fully paid-up.

9. LISTING

The Equity Shares of the Company are continued to be listed and actively traded on the Bombay Stock Exchange Limited (BSE). The company has paid listing fees to the Stock Exchanges (BSE).

10. DEMATERIALIZATION OF SHARES:

As on March 31, 2023, there were 32,16,760 Equity Shares dematerialized through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents about 78.50% of the total issued, subscribed and paid-up capital of the Company.

11. SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

The Company does not have any Subsidiary/Associate/Joint venture Companies.

12. CHANGE IN NATURE OF BUSINESS

The Company is engaged in the business of Money Changer. There was no change in the nature of business activities of the Company during the year under review

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The boards consist of adequate number of directors as per the Companies act 2013, SEBI Regulations, and other applicable laws.

A. Composition of Board

Name of Directors	Designation	Category	No. of Board Meeting Held	No. of Board Meeting Attended
Shivkumar R. Chauhan	Managing Director	Promoter Executive	5	4
Harshad Shantilal Gandhi	Chairman & Independent Director	Non-Executive, Independent	5	4
Parth Shiv kumar Chauhan	Director	Promoter Non-Executive	5	4
Nishit Madhavbhai Rupapara	Independent Director	Non-Executive, Independent	5	4
Nehal Shivkumar Chauhan	Director	Promoter Non-Executive	5	4

B. Retirement by rotation

In accordance with the provisions of the Articles of Association of the Company and Companies Act, 2013, **Mrs. Nehalben Shivkumar Chauhan (DIN: 02901331)** retires by rotation and being eligible have offered himself for reappointment.

C. Changes in the Board during the year: There is no change During the year

D. Changes in the Board during the year: There is no change During the year

E. Declaration of Independent Director:

Mr. Harsad S. Gandhi (DIN: 01056779) and Mr. Nishit Rupapara (DIN:02859031) are the existing Independent Directors the Company and the Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued there under as well as Regulation 16(1)(b) of Listing Regulations (including any Statutory modification(s) or re-enactment(s) for the time being in force).

F. Evaluation of Board's Performance

Pursuant to provisions of the Companies Act and the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, performance of the Chairman, the Committees and independent Directors without Participation of the relevant Director. The Nomination and Remuneration Committee of the Board continuously evaluates the performance of the Board and provides feedback to the Chairman of the Board. The independent directors had a separate meeting without the presence of any non-independent directors and management and considered and evaluated the Board's performance, performance of the Chairman and other non-independent directors and shared their views with the Chairman. The Board had also separately evaluated the performance of the Committees and independent directors without participation of the relevant director.

G. Profile of Directors Seeking Appointment / Reappointment

As required under regulation 36(3) of SEBI (LODR), 2015, particulars of the Directors retiring and seeking reappointment at the ensuing Annual General Meeting is annexed to the notice convening 31st Annual General Meeting.

14. NUMBER OF MEETINGS OF THE BOARD

Regular meetings of the Board are held to discuss and decide on various business policies, strategies, financial matters and other businesses. During the year, the Board duly met Five (5) times on 27/05/2022, 10/08/2022, 14/10/2022, 26/12/2022 and 06/02/2023 in respect of said meetings proper notices were given and proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

15. STATE OF THE COMPANY'S AFFAIRS

The state of the Company affairs forms an integral part of Management Discussion and Analysis Report is furnished in "Annexure-B" and is attached to the report.

16. ANNUAL RETURN AS PER SECTION 92(3) OF COMPANIES ACT, 2013.

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company shall be available on the website of the Company at www.charmsindustries.co.in.

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) of the Companies Act, 2013, your Directors confirm:

- i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- iv) That the Directors had prepared the annual accounts on a going concern basis.
- v) That the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

18. DISCLOSURE OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS**a. AUDIT COMMITTEE:**

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section.

Name of Directors	Category of directorship	Position	Number of Meetings	
			Held	Attended
Mr. Harsad S. Gandhi	Independent and Non-Executive	Chairman	4	4
Mr. Nishit M. Rupapara	Independent and Non-Executive	Member	4	4
Mr. Shivkumar R. Chauhan	Promoter and Managing Director	Member	4	4

Recommendations by the Audit Committee:

All the recommendations made by the Audit Committee are accepted and implemented by the Board of Directors.

- The broad terms of reference of the Audit Committee are as under:
- Reviewing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of external Auditor. Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing with management the Annual financial statements and half yearly and Quarterly financial results before submission to the Board.
- Reviewing periodically the adequacy of the internal control system.- Discussions with Internal Auditor on any significant findings and follow up there on.

MEETINGS:

During the year, 4(four) meeting of the committee was held on 27/05/2022, 10/08/2022, 14/10/2022 & 6/02/2023. The necessary quorum was present at the Meetings.

B. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of Directors was constituted pursuant to the provisions of Section 178 of the Companies Act, 2013. The composition of the Committee is in conformity with the provisions of the said section.

The details of composition of Nomination and Remuneration Committee are as follows:

Name of Directors	Designation	Category	No. of Board Meeting Held	No. of Board Meeting Attended
Mr. Harsad S. Gandhi	Independent Non-Executive	Chairman	3	3
Mr. Nishit M. Rupapara	Independent Non-Executive	Member	3	3
Mrs. Nehal S. Chauhan	Promoter Non-Executive	Member	2	2

Terms of reference of the broad terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining the qualifications, positive attributes and independence of Director;
- Devising a policy on Board diversity;
- Formulation of Remuneration policy;
- Review the structure, size and composition of the Board;
- Identifying and selection of candidates for appointment as Directors;
- Identifying potential individuals for appointment as Key Managerial Personnel and Senior Management;
- Formulation of criteria for evaluation of Independent Directors and the Board.

Meetings:

During the Year, 3 (Three) meeting of the committee was held on 27/05/2022, 10/08/2022 and 14/10/2022

The Board has on the recommendation of Nomination and Remuneration Committee framed a policy on director's appointment and remuneration of Directors including criteria for determining qualification, positive attributes, independence of directors and remuneration for Directors, Key Managerial Personnel and Other Employees.

Policy on Directors' Appointment & Remuneration

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration of Directors, Key Managerial Personnel and other employees. The said policy is accessible on the Company's official website at www.charmsindustries.co.in

We affirm that the remuneration paid to the Directors is as per the terms laid out in the Remuneration Policy of the Company.

Annual Evaluation of Board, Committees and Individual Directors:

Pursuant to the provisions of the Act, Listing Regulations, 2015 and the Remuneration Policy of the Company, the Board of Directors/ Independent Directors/ Nomination and Remuneration Committee (as applicable) has undertaken an evaluation of its own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees. Such evaluation is presented to the Nomination and Remuneration Committee and the Board of Directors (as applicable).

Directors express their satisfaction with the evaluation process

H. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee is constituted in compliance with the requirements of Section 178 of the Companies Act, 2013. Company Secretary is the Compliance Officer, who acts as the Secretary to the Committee and the Members of the Committee are:

Name of Directors	CATEGORY OF DIRECTORSHIP	Category	Number of meeting held	Number of meeting attended
Mr. Harsad S. Gandhi	Independent Non-Executive	Chairman	1	1
Mr. Shivkumar R. Chauhan	Promoter and Managing Director	Member	1	1
Mr. Parth Shivkumar Chauhan	Non-Executive	Member	1	1

The broad terms of reference of the Stakeholders Relationship Committee are as under:

- Oversee and review all matters connected with the transfer of the Company's securities.
- Monitor redressal of investors' / shareholders' / security holders' grievances.
- Oversee the performance of the Company's Registrar and Transfer Agents.
- Recommend methods to upgrade the standard of services to investors.
- Carry out any other function as is referred by the board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

Details of Investor's grievances/ Complaints:

The Company has not received any complaints during the year. The pending complaints of the Shareholders/Investors registered with SEBI at the end of the current financial year ended on 31st March, 2023 are NIL. Mr. Dileep Panchal is the Company Secretary and Compliance Officer of the Company for the above purpose.

Meeting of stakeholders relationship committee

The Committee duly met 01 (one) times on 10/08/2022

19. INDEPENDENT DIRECTORS MEETING:

The Independent Directors of the Company met during the year on 26/12/2022 without the attendance of non-Independent Directors and members of the Board.

The Independent Directors reviewed the performance of the non-independent Directors and Board as whole. the performance of the Chairman taking into account the views of executive Directors and non-executive Directors and assessed the quality, quantity and timeline of flow of information between company management and board.

20. Auditors

The matters related to Auditors and their Reports are as under:

A. Statutory Auditors:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, The present Auditors of the Company are M/s. Ashit N Shah & Co. & Associates, Chartered Accountants, having registration number FRN No. 100624W were appointed as Statutory Auditors of the Company to hold office from the conclusion of 29th Annual General Meeting (AGM) till the conclusion of 33rd Annual General Meeting of the Company to be held in the year 2025.

Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every AGM, is not required. Hence, the resolution relating to ratification of Auditor's appointment is not included in the notice of the ensuing AGM. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company and they hold a valid certificate issued by the ICAI.

They have confirmed their eligibility and qualifications required under the Act for holding office as Auditor of the Company.

During the financial year 2022-23, no frauds have either occurred or noticed and/or reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (as amended from time to time). Therefore, no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

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.

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

B. Cost Auditor:

As the cost audit is not applicable to the Company, therefore the Company has not appointed the Cost Auditor pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014.

Further, maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly such accounts and records are not made and maintained.

C. Internal Auditor

The Board of Directors was on the recommendation of Audit Committee, and pursuant to the provision of Section 138 of the Companies Act 2013 appointed Mr. Paresh Popatlal Joshi as an Internal Auditor of the Company

D. Secretarial Auditor:

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s. Vishwas Sharma & Associates, Practicing Company Secretaries had been appointed to issue Secretarial Audit Report for the Period ended on 31st March, 2023.

The Board of Director appointed M/s. Vishwas Sharma & Associates, practicing company secretary as secretarial auditor of the Company for F.Y. 2023-2024 & 2024-2025.

- Secretarial Audit Report :**

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s. **Vishwas Sharma and Associates**, Company Secretaries had been appointed to issue Secretarial Audit Report for the Period ended on March 31, 2023. Secretarial Audit Report issued by M/s. **Vishwas Sharma and Associates**, Company Secretaries for the year ended on March 31, 2023 in Form MR-3 attached and marked as **Annexure "A"** for the period under review, forms part of this report.

The said report contains observation or qualification which is mentioned as below:

Qualification	Explanations
According to the Regulation 31(2) of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, the listed entity shall ensure that hundred percent of shareholding of promoter(s) and promoter group is in dematerialized form and the same is maintained on a continuous basis in the manner as specified by the Board.	The Board would like to clarify that the Company has approached to concern promoter various time and she assured the Company to finish the process of dematerialization.
The Company failed to comply with the provisions of Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015 related to Structured Digital Database (SDD). The Company had maintained all the entries as per the prescribed regulations into Excel format and hence is tamperable in nature.	The Board of Directors of the Company would like to clarify that the entries were maintained into Excel Format and we strictly implemented the Password of file to maintain it's non-tamperable nature. Further, the Company has installed necessary SDD software which meets the requirements provided in SEBI (Prohibition of Insider Trading) Regulations, 2015 and now, the Company maintains all entries in the software to comply with said regulations.
The Company failed to submit financial result along with the outcome of board meeting required to be submitted under Regulation 30 of SEBI LODR Regulations within 30 minutes from the conclusion of the board meeting for the quarter ended on September 30, 2022.	The Board of Directors of the Company would like to Clarify that due to inadvertence and clerical error, the Company missed to attach Financial Results. It is to be noted the mistake was inadvertent in nature and Company will be more cautious in future while complying applicable SEBI (LODR) Regulation 2015
The Company has failed to Submit Voting result within 2 working days from the conclusion of Annual General Meeting as per regulation 44(3) of SEBI (LODR) Regulation, 2015. BSE has imposed a penalty of Rs.10,000/- on the Company for Non-submission of the voting results within the period provided under this regulation.	The Board of Directors of the Company informed that the mistake was inadvertent in nature and Company will be more cautious in future while complying applicable SEBI (LODR) Regulation 2015 and company has paid the imposed fine within the given time.

21 COMPANY SECRETARY:

Mr. Dileep Panchal is appointed as whole time company secretary and Compliance Officer of the company.

21. ESTABLISHMENT OF VIGIL MECHANISM

The company has in place a vigil mechanism pursuant to which a Whistle Blower Policy is also in vogue. Whistle Blower Policy covering all stakeholders including employees and directors of the company is hosted on companies' website <http://www.charmsindustries.co.in>

22. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

23. RISK MANAGEMENT:

The Company does not have any Risk Management Policy or any statement concerning development and implementation of risk management policy of the company as the elements of risk threatening the Company's existence is very minimal.

24. COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD:

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. The Company confirms Compliance with the applicable requirements of Secretarial Standards 1 and 2.

25. CORPORATE GOVERNANCE:

As per the provisions of SEBI (Listing Obligations and Disclosures requirement) Regulation, 2015, the annual report of the listed entity shall contain Corporate Governance Report and it is also further provided that if the Company is not having the paid up share capital exceeding ₹10 crore and Net worth exceeding ₹25 crore, the said provisions are not applicable. As our Company does not have the paid up share capital exceeding ₹10 crore and Net worth exceeding ₹25 crore, the Corporate Governance Report is not applicable and therefore not provided by the Board.

26. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provision of section 135(1) of Companies Act 2013 i.e. Corporate Social Responsibility is not applicable on the company. Therefore the company has not constituted CSR committee.

27. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

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 Annual Report – 2022-23 45 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.

28. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company believes in the conduct of its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behavior in its employees & stakeholders. The Company has adopted a Whistle Blower Policy as a part of vigil mechanism. Also, the Code of Business Conduct (Code) lays down important corporate ethical practices that shape the Company's value system and business functions and represents cherished values of the Company.

29. STATEMENT OF FORMAL ANNUAL EVALUATION

Nomination and Remuneration Committee annually evaluates the performance of individual Directors, Committees, and of the Board as a whole in accordance with the formal system adopted by it. Further, the Board also regularly in their meetings held for various purposes evaluates the performance of all the Directors, committees and the Board as a whole. The Board considers the recommendation made by Nomination and Remuneration Committee in regard to the evaluation of board members and also tries to discharge its duties more effectively. Each Board member's contribution, their participation was evaluated and the domain knowledge they bring. They also evaluated the manner in which the information flows between the Board and the Management and the manner in which the board papers and other documents are prepared and furnished.

30. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope of the Internal Audit function is defined in the Internal Audit Manual. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. The Internal Audit also includes both physical as well as online transaction audit. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report as required under the Listing Agreement with stock exchanges is annexed as a separate **Annexure "B"** forming part of this Report.

33. PARTICULARS REGARDING EMPLOYEES:

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Report and marked as Annexure-"c". No employee of the Company of the Company was in receipt of the remuneration exceeding the limits prescribed in the rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

35. DEPOSITS

During the year under review, the Company has not accepted or renewed any deposits within the meaning of Section 73 and 76 of the Companies Act 2013 read with the Companies (Acceptance deposits Rules), 2014. There was no deposit which remained unclaimed and unpaid at the end of the year.

36 PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES PURSUANT TO SECTION 188(1) OF THE COMPANIES ACT, 2013:

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.

37. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The company has not made any loans, guarantees or investments covered under the provisions of section 186 of the Companies Act, 2013 during the financial period under review.

38. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**A. Conservation of Energy:**

- i. the steps taken or impact on conservation of energy: **Nil**
- ii. The steps taken by the company for utilizing alternate sources of energy: **None**
- iii. The capital investment on energy conservation equipment's: **Nil**

B. Technology Absorption:

- i. the efforts made towards technology absorption: **None**
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution: **None**
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
 - a) The details of technology imported: **None**
 - b) The year of import: **N.A.**
 - c) Whether the technology has been fully absorbed: **N.A.**
 - d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: **N.A.**
- iv. The expenditure incurred on Research and Development: **Nil**

C. FOREIGN EXCHANGE EARNING & OUTGO:

- i) Foreign Exchange Earning: **NIL**
- ii) Foreign Exchange Outgoing: **NIL**

39. DIRECTOR'S DISQUALIFICATION

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

40. INSOLVENCY AND BANKRUPTCY CODE:

During the Financial Year ended on March 31, 2023, there is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

41. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report.

42. GENERAL:

- a. Your Company has not issued any equity shares with differential rights as to dividend, voting or otherwise; and
- b. Your Company does not have any ESOP scheme for its employees/Directors
- c. The company has not issued any sweat equity Shares.
- d. There was no revision in the Financial statement.

43. ACKNOWLEDGEMENT

Your Directors place on record the valuable co- operation and assistance extended by Reserve Bank of India, Western Union Financial services Inc., Government Authorities, Bankers, lending Institutions, suppliers and Customers during the year under review. Your Directors also place on record their appreciation for the committed services of the executives and staff of the Company.

For and on behalf of the Board

Sd/-
Harsad Shantilal Gandhi
Chairman & Director
(DIN: 01056779)

Place: Ahmedabad
Date: 04/09/2023

"Annexure-A"

SECRETARIAL AUDIT REPORT**FORM NO. MR-3****For the financial year ended on 31st March, 2023****[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**To,
The Members,
CHARMS INDUSTRIES LIMITED,
(CIN: - L72900GJ1992PLC017494)
108-B/109 SAMPADA
BUILDINGMITHAKHALI SIX ROADS OPP-
HARE KRISHNA COMPLEX B/H KIRAN MOTORS
AHMEDABAD Ahmedabad GJ 380009**

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 referred to as 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 authorized 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 March 31, 2023 ('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 **March 31, 2023** according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the Rules made there under;
- ii. The Securities Contracts(Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv. 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 Borrowing. (not applicable to the company during the audit period);
- v. 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 (Share Based Employee Benefits) Regulations, 2021; **(Not applicable during the audit period)**
 - e. The Securities and Exchange Board of India (Issue and Listing of non-convertible securities) Regulations, 2021 ;**(Not applicable during the audit period)**
 - f. 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ;**(Not applicable during the audit period)**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ;**(Not applicable during the audit period)**
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I have relied on the representation made by the company and its officers for systems and mechanisms formed by the companies for compliances system prevailing in the company and on examination of the relevant documents and record in pursuance thereof, on the test-check basis, the company is engaged in business of Full Fledge Money Changer and holds a valid License issued by the RBI, Ahmedabad vide License No. FE. AH. AM. 02/99, therefore the Company has to follow the RBI Act and rules and regulations there under as applicable to those holding License to carry on the business of FFMC.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Uniform Listing Agreement entered into by the Company with BSE Limited (BSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and subject to the following observations;

- a. According to the **Regulation 31(2) of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015**, the listed entity shall ensure that hundred percent of shareholding of promoter(s) and promoter group is in dematerialized form and the same is maintained on a continuous basis in the manner as specified by the Board.
- b. The Company failed to comply with the provisions of **Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015** related to Structured Digital Database (SDD). The Company had maintained all the entries as per the prescribed regulations into Excel format and hence is tamperable in nature.
- c. The Company failed to submit financial result along with the outcome of board meeting required to be submitted under **Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** within 30 minutes from the conclusion of the board meeting for the quarter ended on September 30, 2022.
- d. The Company has failed to Submit Voting result within 2 working days from the conclusion of Annual General Meeting as per **Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** BSE has imposed a penalty of Rs.10,000/- on the Company for Non-submission of the voting results within the period provided under this regulation

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting Boards take decision by majority of directors while the dissenting directors' views are captured and recorded as part of the minutes.

I further report that There are 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 Company has altered Memorandum of Association (MOA) by adding new objects in addition to the existing main object of the Company by alteration of Clause -IIIA of Memorandum of Association of the Company during the reporting period.

I further report that during the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of Shares/debentures/sweat equity.
- (ii) Redemption/buy-back of securities.
- (iii) Major Decisions taken by the members in pursuant to section 180 of the Companies Act, 2013
- (iv) Merger/ amalgamation/ reconstruction etc.
- (v) Foreign technical collaborations.

For, Vishwas Sharma and Associates,
Company secretaries,
SD/-
Vishwas Sharma
Proprietor
FCS: 12606
COP No.:16942.
UDIN: F012606E000933449
PR.No.: 854/2020

Place: Ahmedabad
Date: 04/09/2023

Note: This report is to be read with my letter of even date which is annexed as Annexure herewith and forms and integral part of this report

ANNEXURE TO SECRETARIAL AUDIT REPORT

**To,
The Members,
CHARMS INDUSTRIES LIMITED,**

My report of even date is to be read along with this letter.

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 test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I 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 the Management representations about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations and Standards is the responsibility of management. My examination was limited to the verification of procedures on test 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.

**For, Vishwas Sharma and Associates,
Company secretaries,
SD/-
Vishwas Sharma
Proprietor
FCS: 12606
COP No.:16942.
UDIN: F012606E000933449
PR.No.: 854/2020**

**Place: Ahmedabad
Date: 04/09/2023**

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

GLOBAL ECONOMY

Following a turbulent year in 2022, the global economy is seen demonstrating signs of resilience in 2023. The geopolitical tensions caused by the prolonged Russia-Ukraine war, supply chain disruptions, higher inflation, and tighter monetary conditions made it hard to complete the economic recovery in 2022-23. Economic growth remains low by historical standards and financial risks have increased. International trade was also severely impacted in 2022-23 due to global economic slowdown, persistent inflation, supply chain bottlenecks, and subdued consumer sentiments. However, economic conditions have started showing signs of stabilisation in early 2023. The Economic Survey 2022-23 comes when global uncertainties are rife. Barely had the pandemic receded, and the war in Ukraine broke out in February 2022. Prices of food, fuel and fertilizer rose sharply. As inflation rates accelerated, central banks of advanced countries scrambled to respond with monetary policy tightening. Many developing countries, particularly in the South Asian region, faced severe economic stress as the combination of weaker currencies, higher import prices, the rising cost of living and a stronger dollar, making debt servicing more expensive, proved too much to handle.

INDIAN ECONOMY

For India, 2022 was special. It marked the 75th year of India's Independence. India became the world's fifth largest economy, measured in current dollars. Come March, the nominal GDP of India will be around US\$ 3.5 trillion. In real terms, the economy is expected to grow at 7.8 percent for the year ending March 2023. This follows an 8.7 per cent growth in the previous financial year. The rise in consumer prices has slowed considerably. The annual rate of inflation is below 6 per cent. Wholesale prices are rising at a rate below 5 per cent. The export of goods and services in the first nine months of the financial year (April – December) is up 16 per cent compared to the same period in 2021-22. Although the high oil price this year compared to last inflated India's import bill and caused the merchandise trade deficit to balloon, concerns over the current account deficit and its financing have ebbed as the year rolled on. Foreign exchange reserve levels are comfortable and external debt is low.

India's foreign exchange reserves, which were at an all-time high at USD 645 billion in October 2021 have declined to 471.496 billion in October 2022. This is because of the appreciation of the dollar, the RBI selling dollars to protect the rupee from depreciating too much and the higher prices the country has to pay for imports of oil, gas and other goods and services. The large reduction in India's foreign exchange reserves is a cause for concern and can affect the economy.

India is contributing more than 12% to global growth on average during the last five years. This makes India among the fastest-growing major economies in the world.

The Indian economy is expected to have recorded a growth of 7% in real GDP in 2022-23. This can be accredited to strong global headwinds.

The slew of measures announced by Reserve Bank of India (RBI) to enhance foreign exchange inflows should help rupee to outperform its peers in emerging market economies, experts said. RBI said it has been closely and continuously monitoring the liquidity conditions in the forex market and has stepped in as needed in all its segments to alleviate dollar tightness with the objective of ensuring orderly market functioning. It announced five measures to enhance foreign exchange inflows. The Indian rupee depreciated by 36 paise to close at a three-week low of 81.88 against the US dollar after the Economic Survey 2022-23.

After COVID-19 was delivered an enormous global shock, leading to steep recessions in many countries. Many countries have provided large-scale macro-economic support to alleviate the economic blow, which has contributed to a recent stabilization in financial markets. Central banks in advanced economies have cut policy rates and taken other far-reaching steps to provide liquidity and to maintain investor confidence. Stronger multilateral cooperation and a more balanced policy mix at the national level, considering available monetary and fiscal space, are essential for strengthening economic activity and forestalling downside risks. Building financial resilience, strengthening growth potential, and enhancing inclusiveness remain overarching goals.

COMPANY BUSINESS:

The Company is a RBI registered Full Fledge Money Changer.

In money changing, the Company provides an array of products and services including buying and selling of foreign currency notes, servicing of co-branded International prepaid multicurrency travel cards, issuance of foreign currency demand drafts, travelers' cheques and outward telegraphic remittances, including outbound remittances towards student fees, film shoots, tour remittances etc. and also extend encasements of foreign currency demand drafts, travelers' cheques and forex prepaid cards.

OUTLOOK, OPPORTUNITIES AND THREATS:

Every year sees global currencies jostle for position, although lately it has been a race to the bottom, with more than 30 central banks around the world cutting interest rates in a desperate bid to avoid falling into recession.

Low interest rates typically mean a weak currency, as investors can get a better return on their money elsewhere.

The Government of India's initiatives in boosting up its public expenditure on Infrastructure development will give an impetus to its "MAKE IN INDIA" policy. India is being the most sought after Investment destination for many Investors world over. Hence, this augurs well for the Company business as there will be inflow of Capital Investment giving a boost to Company's Money changing business.

Also surge in growth of travel and hotel industry shall lead to betterment of company's operations and the company is looking forward for the same.

Further, the comparative slower growth globally as compared to Asian Countries coupled with the challenges faced through the advancement of the world digital economy and India too encouraging digitization, the Company's management though expects new challenges, it does not foresee any immediate threat to its core business activities and in fact its efforts are being channelized to seize the newer methodologies to counter the challenges faced.

RISKS AND CONCERNS:

Company has laid down a detailed risk management policy, customer identification and acceptance procedure. The financial risks involved are evaluated through a well laid down procedure. However, all the inherent business risks are adequately insured by the Company. Exchange rate volatility is not only faced by the Company but is attuned to the forex industry globally. To mitigate the said risks Company closely monitors the exchange rate movement.

INTERNAL CONTROL SYSTEM:

The Company has already put in place an elaborate Internal Control and Internal Audit systems. The system ensures adequate periodical checks and balances are exercised. Continuous monitoring by the Internal Audit team of these checks and balances due to the inherent risks associated with the nature of Company's activities ensures compliance of the regulatory framework of RBI & FIU. The Audit team is suitably guided and updated by the Audit Committee of the various regulatory requirements from time to time. The Company has put in place a strict credit policy for extending credit to its corporate customers. The same is continuously monitored and reviewed periodically for any updations to ensure funds at Company's disposal are being judiciously utilized and efficiently managed vis-à-vis the business requirements. The Management Discussion and Analysis explaining the objectives of the Company, the opportunities and threats, the outlook for the future, the risks and concerns have to be read with the meaning of relevant applicable laws and regulations. The actual above. As in any other business the performance of the Company is totally dependent on the market conditions of demand and supply, the volatility in exchange rate, the Government policy & regulations, the economy of the country and other factors.

FINANCIAL PERFORMANCE

This year had a very bad impact on company's financial as well as operational performance

The Company has incurred Net loss for the year ended 31st March 2023 of ₹-0.04/- Lakhs. Further there has been no significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios of the Company.

The company is in process to take important steps in the area of managing the business as the amount of losses in the company is increasing from last some years and unable to recover any amount.

The company have filed application for Capital reduction of the company and scheme of Capital Reduction Provides for provides for undertaking of capital reduction of CHARMS INDUSTRIES LIMITED (hereinafter referred as "CIL" or "the Company"), whereby the paid-up share capital of the "CIL" shall be reduced from ₹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 that such reduction be effected by cancelling the paid up capital amounting to Rs 3,69,54,900/- which has lost or is unrepresented by available tangible assets. Further, the Company also propose to cancel the capital reserve account of Rs.31,46,530/- by adjustment in debit balance of Profit & Loss Account and therefore the total amount of adjustment in debit balance of Profit & Loss Account is aggregating to ₹4,01,01,430/-.

Further the reduction will be to the extent of Rs.9/- per share upon each of the 41,06,100 equity shares which have been issued by reducing the paid-up value of all the shares in the capital of the Company from Rs.10/- per share to Re.1/- per share. The debit balance of Profit & Loss Account of the Company will be written off to the extent of amount of the aforesaid reduction of share capital and Capital Reserve.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

Sr No.	Particulars of Ratio	As at 31st March, 2023	As at 31st March, 2022
1.	Debtors Turnover	-	-
2.	Inventory Turnover	-	-
3.	Interest Coverage Ratio	-	-
4.	Current Ratio	0.76	1.55

Sr No.	Particulars of Ratio	As at 31st March, 2023	As at 31st March, 2022
5.	Debt Equity Ratio	0.05	0.01
6.	Debt service Coverage ratio	-	-
7.	Operating Profit Margin (%)	-	-
8.	Net Profit Margin (%)	-	-
9.	Net capital Turnover Ratio	-0.34	-
10.	Trade payable Turnover Ratio	-	-

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof: Not Applicable

SEGMENT WISE PERFORMANCE:

Our company's operations belong to a single segment and therefore no segment wise performance given.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES:

Your Company being part of the sector, human resources has always been the main pillar for all the activities of the Company. Customer Satisfaction being the ultimate objective of the Company, to ensure sustained business growth. Company's focus has been to improve the staff's contribution towards the various services offered. To achieve this objective Company has ensured that all its employees receive continuous update on the Company's policies as well as the regulatory framework.

For and on behalf of the Board

Sd/-
HarsadShantilal Gandhi
 Chairman & Director
 (DIN: 01056779)

Place: Ahmedabad
 Date: 04/09/2023

"Annexure-3"

Disclosures Regarding Remuneration Required Under 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 remuneration to each director to the median remuneration of the employees for the financial year	MD	NIL
II.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	-	NIL
III.	The percentage increase in the median remuneration of employees in the financial year	No Increase	
IV.	The number of permanent employees on the rolls of the Company as on 31st March, 2023.	3	
V.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Nil	
VI.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed	

For and on behalf of the Board

Sd/-

Harsad Shantilal Gandhi

Chairman & Director

(DIN: 01056779)

Place: Ahmedabad

Date: 04/09/2023

INDEPENDENT AUDITORS' 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, 2023 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 a summary of significant 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, 2023, 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 of the financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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.

Management's 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 is 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 are 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.
 - (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 Accounting Standards 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) 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 :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv. (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 such audit procedures as 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) contain any material mis-statement.
- v. The company has not declared or paid any dividend during the year, hence there is no non-compliance with Section 123 of the Act.
- (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.

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

Ashit N. Shah
(Proprietor)

Place of Signature: Ahmedabad
Date: 23-05-2023

Membership No. 036857
UDIN: 23036857BGSMUE8231

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, 2023, 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 deeds of immovable properties 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.
- ix. 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 wilful 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 utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.
- 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.
- x. a. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) or term loans. Therefore, reporting under paragraph 3(x) of the Order is not applicable.
- b. According to the information and explanations given 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.
- xi. 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, Section 177(9) of Companies Act, 2013 is not applicable to company and as per representation received from management there are no whistleblower complaints received during the year. Therefore, reporting under paragraph 3(xi)(c) of the Order is not applicable.
- xii. 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.
- xiii. 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.
- xiv. 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 not appointed internal auditors. Therefore, clause xiv of the order is not applicable.
- xv. 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.
- xvi. 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.
- xvii. The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year amounting to Rs. 13.98 Lakhs and Rs. 6.63 Lakhs respectively.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. 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.
- xx. 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
FRN: 100624W

Ashit Shah
(Proprietor)

Place of Signature: Ahmedabad
Date: 23-05-2023

Membership No. 036857
UDIN: 23036857BGSMUE8231

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(A)(f)] 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 over financial reporting of **Charms Industries Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

The Company's management and Board of Directors are responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting 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. 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.

Management's 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 control over financial reporting 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. 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 over financial reporting 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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
FRN: 100624W

Ashit Shah
(Proprietor)

Place of Signature: Ahmedabad
Date: 23-05-2023

Membership No. 036857
UDIN: 23036857BGSMUE8231

BALANCE SHEET AS AT 31ST MARCH, 2023

Amount in ₹ Thousand

Particulars	Note	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
1. Non-current assets			
(a) Property, Plant & machinery	4	483.79	512.19
(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		3,786.79	3,815.19
2. Current assets			
(a) Inventories		1,000.00	-
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(ii) Cash and cash equivalents	6	1,352.69	1,482.66
(c) Other current assets	7	7.67	307.67
Total Current Assets		2,360.36	1,790.33
TOTAL ASSETS		6,147.15	5,605.52
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	8	41,061.00	41,061.00
(b) Other Equity	9	(38,089.04)	(36,661.50)
Total equity attributable to owners of the company		2,971.96	4,399.50
LIABILITIES			
(1) Non-current liabilities			
(a) Provisions		-	-
(b) Deferred Tax Liability(Net)	10	55.54	54.40
Total Non-Current Liabilities		55.54	54.40
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	2,025.00	500.00
(ii) Trade payables		-	-
(iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	12	342.04	216.20
(c) Provisions	13	752.61	435.42
Total Current Liabilities		3,119.65	1,151.62
TOTAL EQUITY & LIABILITIES		6,147.15	5,605.52

The accompanying notes form an integral part of the financial statements

In terms of our report attached.

For, Ashit N Shah & Co

Chartered Accountants

(FRN : 100624W)

On behalf of the Board of Directors

Charms Industries Limited**Ashit Shah**

Proprietor

Mem . No. : 036857

Shivkumar R Chauhan

Managing Director

(DIN:00841729)

Harshad S Gandhi

Director

(DIN:01056779)

Date : 23-05-2023

Place : AHMEDABAD

Biren J. Thaker

Chief Financial Officer

Dileep Panchal

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Amount in ₹ Thousand

Particulars		Note	Year Ended 31st March, 2023	Year Ended 31st March, 2022
I	Revenue from operations:	14	255.00	-
II	Other Income	15	13.35	575.08
III	Total Revenue (I + II)		268.35	575.08
IV	Expenses			
	Purchases of Stock in Trade		1,250.00	-
	Changes in inventories of finished goods, work in progress and Stock-in- trade	16	(1,000.00)	-
	Employee benefits expense	17	581.90	102.50
	Finance Costs		-	-
	Depreciation and amortization expense	4	28.40	37.50
	Other expense	18	834.45	1,135.43
	Total Expense		1,694.75	1,275.43
V	Profit before tax (III-IV)		(1,426.40)	(700.35)
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		1.14	0.13
			1.14	0.13
VII	Profit for the period (V -VI)		(1,427.54)	(700.48)
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)		(1,427.54)	(700.48)
XVI	Earnings per equity share:	19		
	(1) Basic		(0.35)	(0.17)
	(2) Diluted		(0.35)	(0.17)

The accompanying notes form an integral part of the financial statements

In terms of our report attached.

For, Ashit N Shah & Co

Chartered Accountants

(FRN : 100624W)

On behalf of the Board of Directors

Charms Industries Limited

Ashit Shah

Proprietor

Mem . No. : 036857

Shivkumar R Chauhan

Managing Director

(DIN:00841729)

Harshad S Gandhi

Director

(DIN:01056779)

Date : 23-05-2023

Place : AHMEDABAD

Biren J. Thaker

Chief Financial Officer

Dileep Panchal

Company Secretary

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST MARCH, 2023

Amount in ₹ Thousand

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(1,426.40)	(700.35)
Adjustment for		
Add :		
Interest and Finance Charges	-	-
Depreciation	28.40	37.50
Less:		
Profit on sale of Property, Plant and Equipment		
Operating Profit Before Working Capital Changes	(1,398.00)	(662.85)
(Increase) / Decrease in Current Assets		
Trade and Other Receivables	-	-
Inventories	(1,000.00)	-
Other current assets	300.00	(300.00)
Increase / (Decrease) in Current Liabilities		
Trade and Other Payables	-	0.00
Other current Liabilities	443.02	(331.74)
Cash Generated From Operations		
Direct Taxes Paid	-	-
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES (A)	(1,654.97)	(1,294.59)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Investments	-	-
Increase/Decrease in deposits	-	-
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)	-	-
C. CASH FLOW USED IN FINANCING ACTIVITIES		
Repayment of long Term Borrowings	-	-
Proceeds from Short Term Borrowings	1,525.00	500.00
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES (C)	1,525.00	500.00
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(129.97)	(794.59)
Add : Cash and Cash Equivalents balance as at 1st April	1,482.66	2,277.25
Cash and Cash Equivalents as at 31st March	1,352.69	1,482.66

The accompanying Notes are integral part of these Financial Statements.

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

In terms of our report attached.

For, Ashit N Shah & CoChartered Accountants
(FRN : 100624W)On behalf of the Board of Directors
Charms Industries Limited**Ashit Shah**Proprietor
Mem . No. : 036857**Shivkumar R Chauhan**Managing Director
(DIN:00841729)**Harshad S Gandhi**Director
(DIN:01056779)

Date : 23-05-2023

Place : AHMEDABAD

Biren J. Thaker

Chief Financial Officer

Dileep Panchal

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

Amount in ₹ Thousand

Particulars	Attributable to the equity holders of the company			
	Reserves and Surplus			Total
	Equity Share Capital	Net Surplus in Statement of P&L	General Reserve	
Balance as at 31st March,2021	41,061.00	(39,107.54)	3,146.53	5,099.98
Profit for the year	-	(700.48)	-	(700.48)
Add/(Less): Other comprehensive Income	-	-	-	-
Balance as at 31st March,2022	41,061.00	(39,808.03)	3,146.53	4,399.50
Profit for the year	-	(1,427.54)	-	(1,427.54)
Add/(Less): Other comprehensive Income	-	-	-	-
Balance as at 31st March,2023	41,061.00	(41,235.57)	3,146.53	2,971.96

Note : Figures in brackets indicate negative figures.

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

In terms of our report attached.

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

On behalf of the Board of Directors
Charms Industries Limited

Ashit Shah
Proprietor
Mem . No. : 036857

Shivkumar R Chauhan
Managing Director
(DIN:00841729)

Harshad S Gandhi
Director
(DIN:01056779)

Date : 23-05-2023
Place : AHMEDABAD

Biren J. Thaker
Chief Financial Officer

Dileep Panchal
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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 Money Changer activity. The company has been registered as a Money Changer with the Reserve Bank of India.

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. The Company has adopted all the relevant Ind AS and the adoption was carried out in accordance with Ind AS 101, "First Time Adoption of Indian Accounting Standards". The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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 framework 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.

Level 2 - 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 cost
- 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 for managing 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 asset give rise on specified dates to cash flows that are solely payments of Principal 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 exist 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 valuating 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 in to 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 equity 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 equity 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.

(₹ in Thousands)

NOTES 4 PROPERTY, PLANT & MACHINERY

Sr. No.	Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As on 01/04/2022	Addition During the Year	Deduction During the Year	As on 31/03/2023	As on 01/04/2022	Depreciation for the Year	Deduction/ Addition due to adjustment During the Year	As on 31/03/2023	As on 31/03/2022
1	Office Building	999.08	-	-	999.08	849.91	26.99	-	876.90	149.17
2	Office Partition	12.34	-	-	12.34	12.34	-	-	12.34	-
3	Furniture & Fixtures	939.64	-	-	939.64	920.78	-	-	920.78	18.86
4	Computer	2,459.44	-	-	2,459.44	2,450.52	-	-	2,450.52	8.92
5	Printer	12.60	-	-	12.60	11.97	-	-	11.97	0.63
6	Physical Health Recorders	7,000.00	-	-	7,000.00	6,713.35	-	-	6,713.35	286.65
7	Air Conditioner	90.85	-	-	90.85	89.33	-	-	89.33	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
10	Television	40.00	-	-	40.00	36.59	1.41	-	38.00	2.00
	Total	13,482.68	-	-	13,482.68	12,970.48	28.40	-	12,998.89	512.19
	Previous Year	13,482.68	-	-	12,932.99	37.50	-	-	12,970.48	549.70

NOTE - 5 INVESTMENT

(₹ in Thousands)

Sr. No.	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
	Non current Investments		
	In-House Property	3,303.00	3,303.00
	Total	3,303.00	3,303.00

NOTE - 6 CASH & CASH EQUIVALENTS

(₹ in Thousands)

Sr. No.	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
1	Cash on Hand	36.25	36.25
2	Balances with Banks	1,316.44	1,446.42
	Total	1,352.69	1,482.66

NOTE - 7 OTHER CURRENT ASSETS

(₹ in Thousands)

Sr. No.	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
1	Advances other than capital advances		
	(a) Other Advances		
	(i) Balance with Government Authorities	7.67	7.67
	(v) Other advances	-	300.00
	Total	7.67	307.67

NOTE - 8 EQUITY SHARE CAPITAL

(₹ in Thousands)

Sr. No.	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
1	AUTHORIZED SHARE CAPITAL		
	45,00,000 Equity Shares of ₹ 10/- each	45,000.00	45,000.00
	[Previous Year : 45,00,000 Equity Shares of Rs.10/- each]		
	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.	41,061.00	41,061.00
	[Previous Year : 41,06,100 Equity Shares of Rs.10/- each]		
	Total	41,061.00	41,061.00

8.1 The reconciliation of the number of Equity Shares outstanding as at 31st March 2023 is set out below :

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of shares	(₹ in Thousands)	No. of shares	(₹ in Thousands)
Shares outstanding at the beginning of the year	41,06,100	41,061.00	41,06,100	41,061.00
Add: 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

8.2 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.

8.3 The details of shareholders and promoters holding more than 5% shares are set out below:

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Shivkumar R Chauhan	9,68,540	24%	9,68,540	24%

NOTE - 9 OTHER EQUITY

(₹ in Thousands)

Sr. No.	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
A	Retained Earnings		
	Balance as per last Financial year	(39,808.03)	(39,107.55)
	Add : Profit for the year	(1,427.54)	(700.48)
	Adjustments as per Ind AS	-	-
		(41,235.57)	(39,808.03)
B	Capital Reserve	3,146.53	3,146.53
	Total	(38,089.04)	(36,661.50)

NOTE - 10 DEFERRED TAX LIABILITY(NET)

(₹ in Thousands)

Sr. No.	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
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	55.54	54.40
	TOTAL DEFERRED TAX LIABILITIES	55.54	54.40
	Total	55.54	54.40

10.1 Reconciliation of deferred tax liabilities(Net):

(₹ in Thousands)

Sr. No.	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
	Opening balance	54.40	54.27
	Tax (income)/expense during the period recognised in profit or loss	1.14	0.13
	Tax (income)/expense during the period recognised in other comprehensive income	-	-
	Tax (income)/expense during the period recognised directly in other equity	-	-
	Closing balance	55.54	54.40

NOTE - 11 BORROWINGS

(₹ in Thousands)

Sr. No.	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
	(a) From Other	2,025.00	500.00
	Total	2,025.00	500.00

NOTE - 12 OTHER CURRENT LIABILITIES

(₹ in Thousands)

Sr. No.	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
1	Other Payables*	157.04	216.20
2	Advance from customers	185.00	-
	Total	342.04	216.20

NOTE - 13 PROVISIONS

(₹ in Thousands)

Sr. No.	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
1	Provision for employee benefits		
	Unpaid salary	720.00	314.00
2	Others		
	Provision for Expenses	32.61	121.42
	Total	752.61	435.42

NOTE: 14 REVENUE FROM OPERATIONS

(₹ in Thousands)

Sr. No.	Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
1	Revenue from operations	255.00	-
	Total	255.00	-

NOTE: 15 OTHER INCOME

(₹ in Thousands)

Sr. No.	Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
1	Interest Income	-	5.00
2	Other Non Operating Income :		
	Interest on IT refund	8.35	-
	Other Income	5.00	0.11
	Sundry Balances Written off	-	569.97
	Total	13.35	575.08

NOTE: 16 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Thousands)

Sr. No.	Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
	Opening Stock		
	Stock-in-Trade	-	-
	Total (A)	-	-
	Closing Stock		
	Stock-in-Trade	1,000.00	-
	Total (B)	1,000.00	-
	Total (A-B)	(1,000.00)	-

NOTE: 17 EMPLOYEE BENEFITS EXPENSE

(₹ in Thousands)

Sr. No.	Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
	Salary & Wages	581.90	102.50
	Total	581.90	102.50

NOTE: 18 OTHER EXPENSES

(₹ in Thousands)

Sr. No.	Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
1	Administrative Expense		
	To Auditors		
	- Audit fees	35.00	35.00
	- Tax Audit fees	-	-
	- Other Professional fees	-	10.00
	Accounting Charges	18.00	15.50
	Electricity Charges	39.65	21.53
	Vehicles Expenses	140.47	142.96
	Advertisement Exp.	25.52	43.80
	Bank Charges	4.86	2.24
	Legal fees and Expenses	388.69	429.71
	Professional Charges	61.64	240.89
	Printing & Stationery Exp.	-	6.05
	Telephone Exp.	16.54	12.71
	Office Exp.	46.73	19.75
	Property Tax	29.21	26.29
	Website Expense	-	8.00
	Internet expense	-	4.00
	Maintenance Expense	8.25	117.00
	Misc Expense	19.89	-
	Total	834.45	1,135.43

NOTE - 19 EARNING PER SHARE

(₹ in Thousands)

Sr. No.	Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
1	Net Profit attributable to the Equity Shareholders (A)	(14,27,543)	(7,00,482)
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
4	Basic/Diluted Earnings per Share (Rs.) (A/B)	(0.35)	(0.17)
	Total	834.45	1,135.43

NOTE - 20 RELATED PARTY DISCLOSURES**(A) Key management personnel (KMP):**

Sr. No.	Name	Designation
1	Shivkumar R Chauhan	Managing Director
2	Harshad S Gandhi	Director
3	Nishit M Rupapara	Director
4	Nehalben S Chauhan	Independent Woman Director
5	Parth S Chauhan	Independent Director
6	Dileep Panchal	Company Secretary
7	Biren J Thaker	CFO

(B) Other related parties:

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

20.1 Disclosures of Transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2023:

(₹ in Thousands)

Sr No.	Key Managerial Personnel	Nature of transaction	Year ended March 2023	Year ended March 2022
1	Charms Forex Pvt Ltd	Loan received	100.00	-
2	Charms Forex Pvt Ltd	Loan repaid	-	-
3	Shivkumar R Chauhan	Remuneration	300.00	-
4	Shivkumar R Chauhan	Loan received	1,425.00	500.00
5	Shivkumar R Chauhan	Closing Balance of loan	1,925.00	500.00
6	Charms Forex Pvt Ltd	Closing Balance of loan	100.00	-

20.2 Breakup of compensation paid to key management personnel:

(₹ in Thousands)

Sr No.	Particulars	Key management personnel	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
1	Short-term employee benefits	Shivkumar R Chauhan	300.00	-
	Total		300.00	-

20.3 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 - 21 OPERATING SEGMENT**(a) Information about Reportable segment:**

The company operates mainly in the Money Changer activities are incidental thereto. Hence there is no separate reportable segment.

NOTE - 22. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

The Company do not have any contingent liabilities and commitments.

NOTE - 23**(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

(₹ in Thousands)

Particulars	As at	As at
	31 st March, 2023	31 st March, 2022
Total Debt	2,025.00	500.00
Adjusted net debt	2,025.00	500.00
Total Equity		
Equity	41,061.00	41,061.00
Total debt to total equity ratio	0.05	0.01

NOTE - 24 FINANCIAL INSTRUMENTS :

The Company uses the following hierarchy for determining the fair value of financial instruments by valuation technique :

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 2022					
Investments (Unquoted)	5	-	3,303.00	3,303.00	3,303.00
Cash and cash equivalents	6	-	1,482.66	1,482.66	1,482.66
Total		-	4,785.66	4,785.66	4,785.66
As at 31st March 2022					
Investments (Unquoted)	5	-	3,303.00	3,303.00	3,303.00
Cash and cash equivalents	6	-	1,352.69	1,352.69	1,352.69
Total		-	4,655.69	4,655.69	4,655.69

NOTE - 25 ADDITIONAL REGULATORY INFORMATION

Ratio	Numerator	Denominator	CY	PY	Reason for variance
Current Ratio (In times)	Total Current Assets	Total Current Liabilities	0.76	1.55	Reduction in current ratio due to short term borrowing made during year
Debt-Equity Ratio (In times)	Debt	Equity	0.05	0.01	Short term borrowing taken during year
Debt Service Coverage Ratio (In times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	-	-	-
Return in equity ratio (In %)	Profit for the year	Avg Total Equity	-	-	-
Trade receivables turnover ratio (In times)	Revenue from Operations	Avg Trade Receivable	-	-	-
Trade payables turnover ratio (In times)	Total supplier Purchase	Avg Trade Payables	-	-	-
Net capital turnover ratio (In times)	Revenue from Operations	Avg Working Capital	-0.34	-	No revenue from operations in PY

NOTE - 26

The Company possess one house property held as investments having carrying value of ₹ 33,03,000 and one office building held as Property, Plant and Equipment having carrying value of ₹ 149,170 whose title deeds are not held in the name of the Company during the financial year ended March 31, 2023 and March 31, 2022.

NOTE - 27 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 - 28

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

In terms of our report attached.

For, Ashit N Shah & Co

Chartered Accountants

(FRN : 100624W)

On behalf of the Board of Directors

Charms Industries Limited

Ashit Shah

Proprietor

Mem . No. : 036857

Shivkumar R Chauhan

Managing Director

(DIN:00841729)

Harshad S Gandhi

Director

(DIN:01056779)

Place : Ahmedabad

Date: 23-05-2022

Biren J. Thaker

Chief Financial Officer

Dileep Panchal

Company Secretary

ATTENDANCE SLIP

Charms Industries Limited

Registered office: 108-B/109 SAMPADA BUILDINGMITHAKHALI SIX ROADS OPP-HARE
KRISHNA COMPLEX B/H KIRAN MOTO RS AHMEDABAD Ahmedabad GJ 380009 IN

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 Saturday, September 30, 2023 at 12.30 p.m.at the registered office of the Company at "108-B/109 SAMPADA BUILDINGMITHAKHALI SIX ROADS OPP-HARE KRISHNA COMPLEX B/H KIRAN MOTO RS AHMEDABAD Ahmedabad GJ 380009 IN

Signature of Shareholder/ Proxy

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

PROXY FORM**Charms Industries Limited**

Registered office: 108-B/109 SAMPADA BUILDINGMITHAKHALI SIX ROADS OPP-HARE
KRISHNA COMPLEX B/H KIRAN MOTO RS AHMEDABAD Ahmedabad GJ 380009 IN

CIN: L72900GJ1992PLC017494

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

FORM 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]

CIN:	L72900GJ1992PLC017494
Name of the company:	Charms Industries Limited
Registered office:	108-B/109 SAMPADA BUILDINGMITHAKHALI SIX ROADS OPP-HARE KRISHNA COMPLEX B/H KIRAN MOTO RS AHMEDABAD Ahmedabad GJ 380009 IN
Name of the member(s):	
Registered address:	
Email Id:	
Folio No./Client Id:	
DP ID:	
We, being the member (s) of shares of the above named company, hereby appoint	
Name :	
Address:	
Email ID:	
Signature	
Name :	
Address:	
Email ID:	
Signature:	
Name :	
Address:	
Email ID:	
Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Saturday, September 30, 2023 at 12.30 p.m. at the registered office of the Company situated at "108-B/109 SAMPADA BUILDINGMITHAKHALI SIX ROADS OPP-HARE KRISHNA COMPLEX B/H KIRAN MOTO RS AHMEDABAD Ahmedabad GJ 380009 IN

Resolution No.	Particulars	For	Against
1	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2023 and the Reports of the Board of Directors and Auditors thereon.		
2	To appoint Director in place of Mrs. Nehalben Shivkumar Chauhan (DIN: 02901331), who retires by rotation and being eligible, offers herself for re appointment as a Director of the Company.		
3.	To Re-appoint Mr. Shivkumar Raghunandan Chauhan (DIN: 00841729) as a Managing Director of the Company w.e.f. 15th June, 2024, for a period of three years.		
4	Considered and approved new set of Memorandum of Association (MoA) of the Company as per Companies Act, 2013		
5	Considered and approved new set of Articles of Association (AoA) of the company as per Companies Act, 2013		

Signed this..... day of..... 2023.

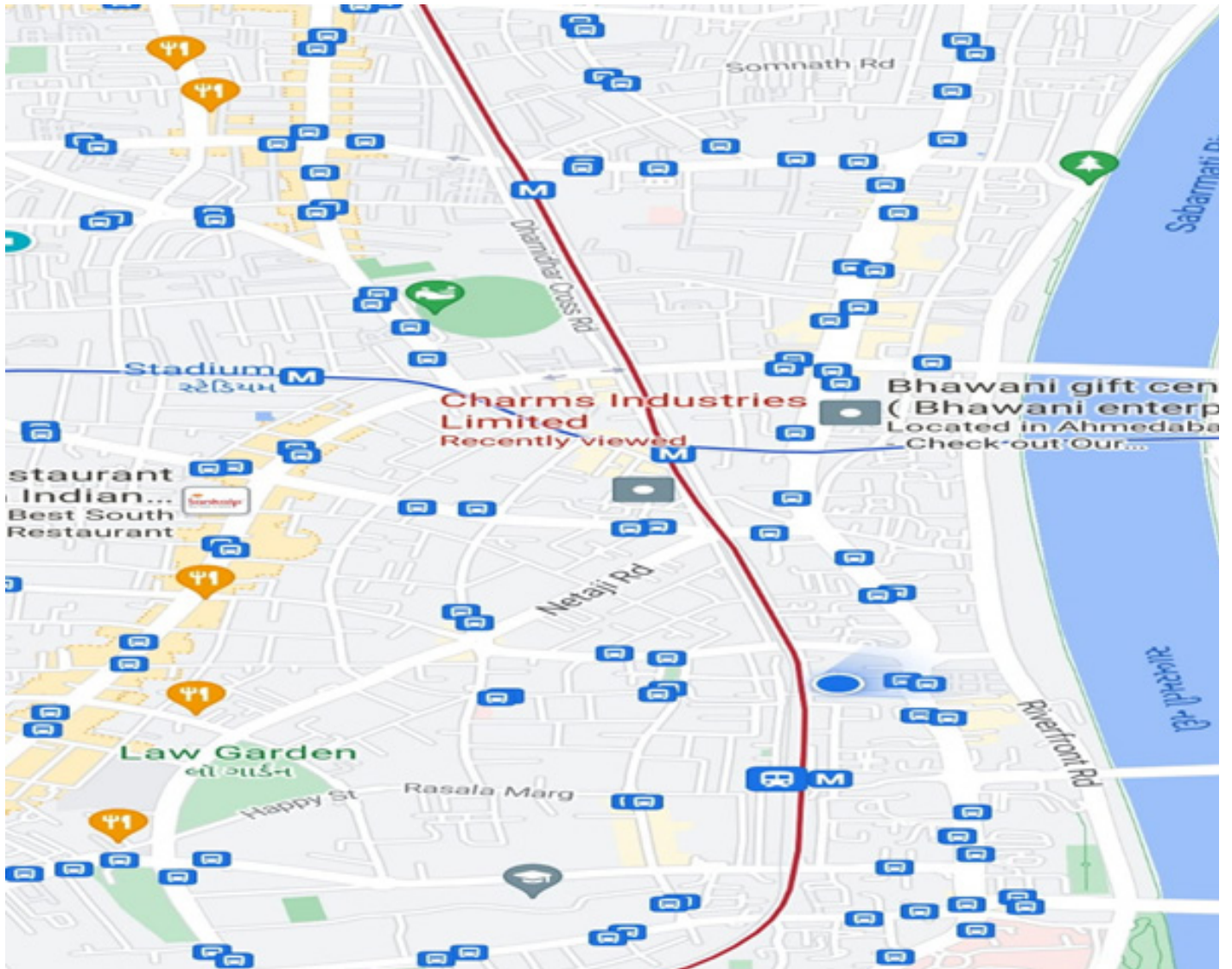
Signature of shareholder _____

Signature of Proxy holder(s) _____

NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% 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 person or shareholder.
3. Please put a '√' in the appropriate column against the resolution indicated in the Box. If you leave the 'For or Against' column blank against the resolution, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. Please complete all details including details of member(s) in above box before submission.

ROUTE MAP OF THE VENUE OF THE 31ST ANNUAL GENERAL MEETING



CHARMS INDUSTRIES LIMITED

108-B/109 SAMPADA

**BUILDING MITHAKHALI SIX ROADS OPP-
HARE KRISHNA COMPLEX B/H KIRAN MOTORS
AHMEDABAD Ahmedabad GJ 380009**