

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: 30.08.2024

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

Sub: Notice of Annual General Meeting for the financial year 2023-24

BSE script code: 531327

Dear sir,

We would like to inform you that the 32nd Annual General Meeting ("AGM") of the company is scheduled to be held on Monday, September 23, 2024 at 12:30 P.M. at the registered office of the company in compliance with the applicable circular issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India to transact the business mentioned in the notice of 32nd Annual General Meeting. We are submitting herewith the notice of 32nd Annual General Meeting of 2023-24, 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 of the company or Depository Participants.

The copy of notice of 32nd Annual General Meeting for the financial year 2023-24 is also available on the company's website at charmsindustries.co.in.

Yours faithfully,

For, **CHARMS INDUSTRIES LIMITED**

HARSAD SHANTILAL GANDHI
CHAIRMAN & DIRECTOR
DIN : 01056779

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of Charms Industries Limited will be held on Monday, September 23, 2024 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 Balance Sheet as at 31st March, 2024, Statement of Profits & Loss together with Cash Flow Statement and Notes forming part thereto ("Financial Statement") for the year ended on 31st March, 2024 and Report of the Board of Directors and Auditors thereon.**
2. **To appoint Director in place of Mr. Parth Shivkumar Chauhan (DIN: 07571829), who retires by rotation and being eligible, offers himself for re-appointment as a Director of the Company.**

SPECIAL BUSINESS:

3. **Reduction of Share Capital and Capital Reserve:**

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

"RESOLVED THAT pursuant to the Articles of Association of the Company, Section 66 and other applicable provisions of the Companies Act, 2013 read with rules, regulations, circulars and notifications, framed thereunder (including any statutory modification, amendment or re-enactment thereof for the time being in force), and subject to the requisite sanction and approval from the Hon'ble National Company Law Tribunal Ahmedabad Bench, ("**Tribunal**") and subject to such other consents, approvals, permissions, and sanctions of regulatory and other authorities, as may be necessary and subject to such terms, conditions, or modifications as may be prescribed or imposed by the Hon'ble Tribunal or by any statutory or regulatory authorities while granting such approvals or consents and which may be agreed to or accepted by the Board of Directors of the Company ("**Board**"), consent and approval of the members of the Company be and is hereby accorded for reducing 90% of the subscribed, issued and paid up equity Capital of the Company and the Capital Reserve of the Company in the following manner:

- i. The subscribed, issued and paid-up Capital shall stand reduced or otherwise altered from INR. 4,10,61,000/- divided into 41,06,100 Equity Shares of INR. 10/- each fully paid-up to INR.41,06,100/- divided into 41,06,100 equity shares of INR. 1/-each fully paid-up and that such reduction be effected by cancelling the paid up capital amounting to INR. 3,69,54,900/- which has lost or is unrepresented by available tangible assets ("**Capital Reduction**").
- ii. Further, the Capital Reserve account of INR.31,46,530/- shall stand reduced, written off and adjusted.
- iii. The debit balance of the Profit & Loss Account of the Company will be written off to the extent of INR. 4,01,01,430/- in line with the aforementioned reduction in Share Capital and Capital Reserve.
- iv. No consideration in cash or in kind shall be payable to the shareholders/members in lieu of the aforesaid reduction, cancellation and extinguishment of the equity share capital.

RESOLVED FURTHER THAT upon Reduction of the Share Capital being confirmed by the Hon'ble Tribunal and becoming effective and operative and/or the receipt of such other approvals as may be required, all those shareholders of the Company who continue to hold their shares in physical form as on the Record Date shall be issued and delivered fresh share certificate consequent upon the reorganization of capital irrespective of whether such Shareholders surrender their old share certificates or not. The old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value and shall be non-usable and non-tradable on any stock exchange or otherwise on and from the Record Date. The Stock Exchanges shall also be intimated, on the Record Date in this regard. In the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the members of the Company, if and to the extent warranted, as a consequence of the sanctioning of this Scheme, shall be adopted for making the necessary alterations in the depository accounts of the shareholders.

RESOLVED FURTHER THAT for the purposes of giving effect to the Capital Reduction as aforesaid the Board is hereby authorised to agree to any modifications or conditions that may be imposed or stipulated by the Hon'ble Tribunal and to take all necessary steps and actions as the Board may in its discretion deem fit for the purposes of ensuring that the Capital Reduction is completed in a fair and equitable manner and as directed by the Hon'ble Tribunal.

RESOLVED FURTHER THAT the Company shall not be required to use the words "And Reduced" as part of its corporate name as there is neither any payment outgo nor it amount to extinguishing or reducing liability on its shares in respect of unpaid share capital.

RESOLVED FURTHER THAT any one of the Directors of the Company or any other person of the Company as may be nominated by the Board, be and is hereby authorized to file all applications, petitions and documents relating to the Capital Reduction or delegate such

authority to another person as deemed fit and to take all necessary steps and do all such acts, deeds, matters and things, as may be necessary to give effect to the aforesaid resolutions and as it may (in its absolute discretion) deem necessary, expedient, usual or proper, in the best interest of the Company and its members in connection with and relating to the Capital Reduction, including any directions for settling any question or doubt or difficulty whatsoever may arise, for the purpose of giving effect to the Capital Reduction, or to any modification thereof, and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise."

For and on behalf of the Board

Sd/-

Harsad Shantilal Gandhi

Chairman & Director

(DIN: 01056779)

Date: 14-08-2024

Place: Ahmedabad

NOTES:

1. The Annual General Meeting (AGM) will be held on Monday, September 23, 2024 at 12.30 p.m. (IST) at the Registered Office of the Company 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 above meeting is entitled to appoint a proxy to attend and vote on behalf of himself/herself and the proxy need not be a member of the company. proxies, in order to be valid & effective, must be received by the company at the registered office not later than forty-eight hours before the commencement of the above meeting.
A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent 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 a proxy for any other person or 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 venue of the meeting.
4. For the convenience of members, the route map of the venue of the meeting is depicted at the end of the Notice.
5. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
6. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the shares certificates to the Company's Registrar and Transfer Agents, for consolidation into a single folio.
7. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted is annexed hereto.
8. 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 Tuesday, September 17, 2024 to Monday, September 23, 2024 (both days inclusive) for the purpose of Annual General Meeting.
9. In terms of Section 152 of the Companies Act, 2013, Mr. Parth Shivkumar Chauhan (DIN: 07571829), Director, retires by rotation and being eligible, offers herself for re-appointment. As per explanation to Section 152(6)(e) of the Act, total number of Directors for the purpose of determining Directors liable to retire by rotation shall not include Independent Directors, whether appointed under the Act or any other law for the time being in force. Information of Director proposed to be appointed and re-appointed at the AGM as required under Regulation 36(3) of the Listing Regulations is annexed to this Report.
10. Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, is given hereunder forming part of the Annual Report.
11. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
12. The Members are requested to notify promptly any change in their address to the Company or their depository participant, as the case may be.

13. Members are entitled to make nomination in respect of shares held by them in physical form as per the provisions of section 72 of the Companies Act, 2013. Members desirous of making nomination are requested to send Form SH-13 either to the company or its Registrar and Shares Transfer Agent. Members holding shares in DEMAT form may contact their respective Depository Participant for recording nomination in respect of their shares.
14. Members are requested to note that pursuant to directions given by SEBI/Stock Exchanges, the Company has appointed M/Bigshare Services Private Limited, A-802, Samudra Complex, off C G Road, Navrangpura, Near Girish Cold Drinks Ahmedabad 380009, Gujarat, India as Registrar and Transfer Agent to look after the work related to shares held in physical as well as demat mode.
15. Members holding shares in electronic mode are requested to intimate any change in their address or bank mandates to their Depository Participant ("DPs") with whom they are maintaining their demat accounts. Members holding shares in physical mode are requested to advise any change in their address or bank mandates to the company/Company's Registrar and Transfer Agents i.e. Bigshare Services Private Limited
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall provide their PAN details to the Company/Registrars and Transfer Agent, M/Bigshare Services Private Limited.
17. SEBI has mandated that for registration of transfer of the shares in the demat form only after 1 st April, 2019. Therefore, it is advised to the shareholders, holding their shares in the physical form to get convert into the Demat form.
18. As per SEBI mandate for no transfer of share except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.
19. 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 2023-24 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.
20. Notice of the AGM along with the Annual Report 2023-24 is being sent through electronic mode to those Members whose email addresses are registered with the Company /Depositories and physical copies to all other Members whose email is not registered. It is also note that the Notice and Annual Report 2023-24 is also available on the Company's website <http://charmsindustries.co.in/>, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The Annual Report 2023-24 along with Notice is being sent to the members holding shares on cut-off date Friday, August 23, 2024.

In terms of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations, the Company has engaged the services of NSDL to provide the facility of electronic voting ('e-voting') in respect of the Resolutions proposed at this AGM. M/s Vishwas Sharma & Associates, Company Secretaries, Ahmedabad shall act as the Scrutinizer for this purpose.

21. THE PROCEDURE AND INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The voting period begins on Friday, September 20, 2024 at 9.00 a.m. and ends on Sunday, September 22, 2024 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 i.e. Monday, September 16, 2024 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 venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, 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 (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.

STEP 1 : ACCESS THROUGH DEPOSITORIES CDSL/NSDL E-VOTING SYSTEM IN CASE OF INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE.

- (iv) 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 abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) 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.nsd.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. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	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 website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned 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 helpdesk.evoting@cdslindia.com or contact at :1800 22 55 33
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 evoting@nsdl.co.in or call at :022-4886 7000 and 022-2499 7000

STEP 2 : ACCESS THROUGH CDSL E-VOTING SYSTEM IN CASE OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE AND NON-INDIVIDUAL SHAREHOLDERS IN DEMAT MODE.

- (v) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 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. Shareholders 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 e-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 Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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.

- (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 shareholders 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) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.

- 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 a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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 mandatorily 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 at the email address viz; charmsltd@yahoo.com, if they have 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/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. 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.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cDSLindia.com or contact toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 or send an email to helpdesk.evoting@cDSLindia.com or call at toll free no. 1800 22 55 33

22. 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 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.
23. 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.
24. 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.
25. 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.

For and on behalf of the Board

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

Date: 14-08-2024
Place: Ahmedabad

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. ParthShivkumar Chauhan
DIN	07571829
Date of Birth	25/10/1990
Date of Appointment	02/09/2016
Qualification and experience in specific functional area	He is a commerce graduate and have more than 9 years of experience in business administration.
Directorship held in other companies*	NIL
Membership / Chairmanships of Committee in other Public Companies	NIL
Number of shares held in the company	0
Relationship with any Director(s) of the Company	<ul style="list-style-type: none"> ➤ Mrs. Nehal Shivkumar Chauhan (Mother) ➤ Mr. Shivkumar R. Chauhan (Father)

*Pvt. Companies excluded

For and on behalf of the Board

Date: 14-08-2024
Place: Ahmedabad

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

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

In conformity with the provisions of Section 102 of the Companies Act, 2013, following Explanatory Statement sets out all material facts relating to the Special Business mentioned.

ITEM 3: REDUCTION OF SHARE CAPITAL AND CAPITAL RESERVE**1. PREAMBLE:**

- 1.1 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 Company shall be reduced from ₹ 4,10,61,000/- divided into 41,06,100 Equity Shares of ₹ 10/- each fully paid-up to ₹ 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 ₹ 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 ₹ 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/-.
- 1.2 Further the reduction will be to the extent of ₹ 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 ₹ 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. The purpose of the Scheme is the Reduction of Equity Share Capital to undertake financial restructuring and reconstruction of the Company whereby the Company would write off carried forward accumulated losses of past years by reduction of 90% of its paid-up equity shares capital, so as to give a true and realistic view of the value of the shares and present leaner balance sheet of the company. This has given rise to the need to re-adjust the relation between capital and assets and reflect the liabilities and assets of the Company accurately and fairly in its books of accounts and also to operate with a leaner base balance sheet.

Note: The members are requested to read the entire text of the Scheme to be fully acquainted with its provisions. The copy of the Scheme can be accessed through the following link - <https://charmsindustries.co.in/scheme-of-arrangement/>. The explanatory statement includes brief salient features of the said Scheme.

2. BACKGROUND:

The issued, subscribed and paid-up capital of the Company is ₹ 4,10,61,000/- divided into 41,06,100 Equity Shares of ₹ 10/- each fully paid-up based on the audited financial statements for the period ended March 31, 2023. These financial statements reflect accumulated losses (Debit balance of the profit and loss account) of ₹ 4,12,35,570/- as on March 31, 2023. Such Accumulated losses have substantially wiped off the value represented by the share capital.

Financial Highlights of the company as per Audited financial statements for the last three financial Year are given below:

Particulars	For the financial year 2022-23	For the financial year 2021-22	For the financial year 2020-21
Paid up Share capital	4,10,61,000	4,10,61,000	4,10,61,000
Capital Reserve	31,46,530	31,46,530	31,46,530
Profit & Loss Account (Dr.)	(4,12,35,570)	(3,98,08,027)	(3,91,07,545)
Profit After Tax	(14,27,540)	(7,00,482)	(28,21,528)

The Authorized, Issued, Subscribed and Paid up Share Capital of the Company as per the latest audited financial as at 31st March, 2023 is as under:-

Particulars	(Amount in ₹)
Authorized Share Capital 45,00,000 Equity Shares of ₹ 10/- each	4,50,00,000
Total	4,50,00,000
Issued & Subscribed Capital 41,06,100 Equity Shares of ₹ 10/- each	4,10,61,000
Total	4,10,61,000
Paid-up Share Capital 41,06,100 Equity Shares of ₹ 10/- each	4,10,61,000
Total	4,10,61,000

Financials of the Company are given below:

Particulars	Financial Year ended March 31, 2022 (Amount in Thousands)	Financial Year ended March 31, 2023 (Amount in Thousands)
Total Current Assets	1790.33	2360.36
Total Current Liability	1151.62	3119.65
Reserve & Surplus	(36,661.50)	(38,089.04)

3. RATIONALE AND EFFECTS OF THE PROPOSED SCHEME:

The background and circumstances which justify the said scheme are inter- alia as follows:

- 3.1 The Board of Directors of the Company has considered necessary to undertake a scheme of Capital Reduction ("**Scheme**") so as to give a true and realistic view of the value of the shares and present leaner balance sheet of the Company.
- 3.2 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).
- 3.3 The proposed reduction of the equity share capital of the Company is being undertaken in accordance with the provisions of Section 66 of the Companies Act, 2013 and the rules made thereunder and specifically the Rules, which permit a company to undertake a reduction of its share capital in any manner, read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"/ Listing Regulations"), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR") and the SEBI Circular (as defined hereinafter).
- 3.4 The Company's shares are listed in Bombay Stock Exchange.
- 3.5 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.
- 3.6 The Company has been incurring continuous losses and the chances of recovery are remote. Hence it is prudent to write off part of the debit balance in Profit & Loss account to the extent of ₹ 4,01,01,430/- by cancelling the capital in which ₹ 3,69,54,900/- is a amount which is lost or is unrepresented by available tangible assets and capital reserve Accounts amounting to ₹ 31,46,530 aggregating to ₹ 4,01,01,430/-. The resultant paid-up capital of the Company will be ₹ 41,06,100/- divided into 41,06,100 equity shares of Re.1/- each fully paid-up.
- 3.7 The financial restructuring will help the Company to reflect better its operational efficiency, improvements in the future years and reflect the true share value.
- 3.8 As on 31st March, 2023 the Company does not have any secured creditor hence, NOC from secured creditor is not required. For the sake of clarity, the Company has taken certificate from **M/s. Ashit N. Shah & Co; Chartered Accountant (FRN: 100624W)**, who is the statutory auditor of the Company by stating that the Company has no secured creditors as on 31.03.2023. Further, it is specified that the reduction in Share Capital does not involve either the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The creditors of the Company are in no way affected by the proposed restructuring by way of the reduction of capital.
- 3.9 The Company shall reduce the existing Paid-Up Equity Share Capital from ₹ 4,10,61,000/- divided into 41,06,100 Equity Shares of ₹ 10/- each fully paid-up to ₹ 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 ₹ 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 ₹ 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/-.
- 3.10 To effect such reduction in issued, subscribed and paid-up equity share capital the shareholders of the Company on the Record Date will get 1 (One) equity shares of Re.1/- (rupee One Only) each fully paid-up against 1(One) equity shares of ₹ 10/- (Rupees Ten Only) each fully paid up. Record Date means the date to be fixed by the Board of Directors of the Company for the purpose of reckoning name of the Equity Shareholders, who shall be entitled to new share certificate, upon coming into effect of this Scheme.
- 3.11 The Issued, Subscribed and Paid-up Share Capital, post reduction will be ₹ 41,06,100/divided into 41,06,100 equity shares of ₹ 1/- each fully paid-up.

4. ACCOUNTING TREATMENT IN THE BOOKS OF ACCOUNT:

- 4.1 The Company shall reduce the existing paid-up equity share capital and cancel the Capital Reserve account in accordance with Clause 3.9 and 3.10 of the Explanatory Statement.
- 4.2 The cancellation of the shares is proportionately among the members of the Company and the same shall be utilized for adjusting the debit in Profit & Loss account.
- 4.3 Upon the Scheme becoming effective the paid up value of shares of the Company will be reduced from ₹ 10/- per share to ₹ 1/- per share, on 41,06,100 Equity Shares and consequently, the paid-up equity share capital of the Company as on the Effective Date shall become ₹ **41,06,100/-** divided into 41,06,100 equity shares of Re.1/- each fully paid up.
- 4.4 The Capital Reduction and the consequent cancellation of the share capital shall be effected as per the provisions of Section 66 of the Companies Act, 2013 and other applicable provisions of the Act, rules and regulations made thereunder upon the Scheme becoming effective.
- 4.5 The Scheme does not in any manner alter, vary or affect the payment of any dues or outstanding amounts, including all or any of the statutory dues payable or outstanding.
- 4.6 The Scheme does not envisage transfer or vesting of any of the properties and or liabilities of the Company to any person or entity.
- 4.7 The Scheme is merely a Capital Reduction and does not involve any conveyance or transfer of any property of the Company and does not involve any issuance of shares. Consequently, the order of National Company Law Tribunal ("**the Tribunal**") approving the Scheme will not attract any stamp duty.
- 4.8 The Company will comply with all relevant Accounting Policies and Accounting Standards as regards to accounting for the reduction of capital and writing off of debit balance of Profit and Loss Account. The Company will make and pass appropriate entries for all notional adjustments in a prudent and commercial accepted manner.

5. THE PRE REDUCTION AND POST REDUCTION CAPITAL STRUCTURE OF THE COMPANY IS AS UNDER:

Particulars	Pre Reduction (₹)	Particulars	Post Reduction (₹)
Authorised Share Capital 45,00,000 Equity Shares of ₹ 10/- each	4,50,00,000	Authorised Share Capital 4,50,00,000 Equity Shares of Re.1/- each	4,50,00,000
TOTAL	4,50,00,000	TOTAL	4,50,00,000
Issued Subscribed and Paid-up Capital: 41,06,100 Equity shares of ₹ 10/- each	4,10,61,000	Issued Subscribed and Paid-up Capital: 41,06,100 Equity shares of Re.1/- each	41,06,100
TOTAL	4,10,61,000	TOTAL	41,06,100

6. THE PRE REDUCTION AND POST REDUCTION SHARE HOLDING PATTERN IS AS UNDER:

Category of Shareholder	Number of Shares (pre reduction) of ₹ 10/- each	Pre Reduction %	Number of Shares (post reduction) of ₹ 1/- each	Post Reduction %
Promoter And Promoter Group	10,00,463	24.37	10,00,463	24.37
Financial institutions/Bank	0	0	0	0
Bodies Corporate	1,33,514	3.25	1,33,514	3.25
Individual	27,22,996	66.31	27,22,996	66.31
Any Other (OCBs, NRI)	2,49,127	6.07	2,49,127	6.07
TOTAL	41,06,100	100	41,06,100	100

7. CONDITIONALITY OF THE SCHEME

The Scheme is and shall be conditional upon and subject to:

- 7.1 The requisite consent, sanctions and approvals under the applicable law of the Central Government or Stock Exchanges or any other agency, department or authorities concerned including but not limited to approvals, sanctions required under the SEBI Circular Ref, SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22,2020 issued by SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be required by law in respect of this Scheme, being obtained.
- 7.2 The requisite resolutions under the applicable provisions of the Companies Act being passed by shareholders of the Company for any of the matter provided for or relating to the Scheme as may be necessary or desirable.
- 7.3 The sanctions of the Tribunal under Section 66 of the Companies Act in favour of the Company and the necessary order being obtained.
- 7.4 Certified or authenticated copies of the Order of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies, Gujarat, at Ahmedabad by the Company.
- 7.5 The Certified or authenticated copies of the Order of the Tribunal sanctioning the Scheme and minute thereof being registered by the Registrar of Companies, Gujarat, at Ahmedabad ("RoC") and a certificate of registration of the minute of order issued by the RoC.

8. MODIFICATION/AMENDMENTS TO THE SCHEME:

- 8.1 The Company through its Board, may consent on behalf of all persons concerned to any modification or amendments of this Scheme or to any conditions which the Tribunal and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for setting any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.
- 8.2 For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Company are authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

9. MISCELLANEOUS:

- 9.1 The Board, at its meeting, approved the Capital Reduction scheme in accordance with the terms set out in the resolution. Subsequently, the scheme was submitted to the Bombay Stock Exchange ("BSE") for approval. In this regard, the Company received an Observation Letter from the BSE dated July 01, 2024, which noted 'no adverse observations'.
- 9.2 The Company has submitted an Undertaking to the BSE regarding the matters of e-voting and the minimum approval required from the public shareholders for the proposed Scheme. Pursuant to the Undertaking, the Company will provide e-voting facility for voting on the Scheme by the public shareholders. Furthermore, the Scheme shall be acted upon only if the number of votes cast by the public shareholders in favour of the proposed Scheme are more than the number of votes cast by the public shareholders against it.
- 9.3 No investigations or proceedings have been instituted and are pending against the Company under the Act.
- 9.4 No adjudication, regulatory proceedings, prosecution, or any enforcement action has been initiated or is pending against the Company, its promoters or its directors.
- 9.5 The Company has not accepted any deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Hence, the Company is not in arrears with respect to repayment of any deposits or interest thereon, as on the date of filing of this Scheme.
- 9.6 Notwithstanding the reduction of the capital of the Company in pursuance of this Scheme, the Company shall not be required to add the words "And Reduced" to its name as the last words thereof.
- 9.7 The Scheme does not involve any financial outlay or outgo, and therefore, will not affect the ability or liquidity of the Company to meet its obligations and commitments in the normal course of business. Further, this Scheme will also not in any way adversely affect the ordinary operations of the Company during the course, or after the approval, of the Scheme.
- 9.8 The Scheme will not have any adverse effect on any directors, key managerial personnel, promoters, non-promoter members, creditors and employees of the Company. The Company does not have any depositors and debenture holders. The Scheme will be in the best interest of all the stakeholders of the Company.

9.9 The Scheme was also placed before the Audit Committee of the Company for consideration and recommendation. After reviewing the Scheme, the Accounting Treatment Certificate, its necessity, rationale, and impact on various stakeholders, the Audit Committee confirmed that the Scheme is not detrimental to the shareholders of the Company and is in the interest of the Company, its shareholders, and all other stakeholders. The copy of the Audit Committee Report can be accessed through the following link - <https://charmsindustries.co.in/scheme-of-arrangement/>.

9.10 The Reduction of Capital will have no detrimental impact on the shareholders and will further allow for the creating of distributable reserves for dividend that are currently held up due to accumulated losses.

None of the Directors or Key Managerial Personnel of the Company are in any way concerned or interested in the said Resolution except in their capacity as shareholders of the Company. The Board recommends the special resolution for approval of the shareholders.

For and on behalf of the Board

Date: 14-08-2024
Place: Ahmedabad

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