

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

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

5. To be signed by-

• Managing Director

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

• Chief Financial Officer

Biren J. Thaker
(Biren J. Thaker)

• Auditor of the company



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

• Audit Committee Chairman

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

23rd
ANNUAL REPORT
2014-15

CHARMS INDUSTRIES LIMITED

23rd ANNUAL REPORT 2014-15**KEY MANAGERIAL PERSONNEL & BOARD OF DIRECTORS**

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

AUDITORS

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

BANKERS

Indian Overseas Bank
ICICI Bank
Development Credit Bank

REGISTRAR & SHARE TRANSFER AGENT

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

REGISTERED OFFICE

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

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NOTICE

(CIN:L72900GJ1992PLC017494)

NOTICE is hereby given that the **Twenty Third (23rd)** Annual General Meeting of the Members of the Company will be held on 30th September, 2015 at 11.30 a.m. at Ground Floor, Sampada Building, B/h. A. K. Patel House, Mithakhali Six Road, Navrangpura, Ahmedabad-380009 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 Statement of Profits & Loss and together with Cash Flow Statement and Notes forming part thereto ("Financial Statement") for the year ended on 31st March, 2015 and Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dahyabhai B. Sachania (Din: 02468095) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

Regd office:

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

Date : 14/08/2015

Place : Ahmedabad

By Order of the Board

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

NOTES:

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

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

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

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

2. The Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members / Proxies / Authorised Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
6. Relevant documents referred to in the accompanying Notice and the Statement, are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
7. Profile of the Directors seeking appointment / re-appointment, as required in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, is annexed to this Notice.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday 23rd September 2015 to Wednesday 30th September 2015 (both days inclusive).
9. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission / transposition of shares. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holdings in dematerialised form or to Sharepro Services (India) Pvt. Ltd. 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380016, Gujarat in case of holdings in physical form, mentioning your correct reference folio number.
10. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can

contact Sharepro Services (India) Pvt. Ltd.416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380016, Gujarat for assistance in this regard.

11. The Annual Report 2014-15 of the Company circulated to the Members of the Company, will be made available on the Company's website at www.charmsindustries.in and also on the website of the respective Stock Exchanges at www.bseindia.com.
12. Members desirous of getting any information about the Accounts of the Company are requested to write to the Company atleast seven days in advance of the Meeting, so that the information can be kept ready at the Meeting.
13. Process and manner for members opting for voting through Electronic means:
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of Central Depository Services (India) Limited ("remote e-voting").
 - II. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. September 23, 2015, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
 - III. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. September 23, 2015, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.
 - IV. The voting period begins on September 27, 2015 (09:00 a.m.) and will end on September 29, 2015 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 23, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - V. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
 - VI. The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting, may also attend the meeting, but shall not be entitled to cast their vote again.
 - VII. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. September 23, 2015.
 - VIII. The Company has appointed Devesh Khandelwal, Proprietor of Khandelwal Devesh & Associates, Practising Company Secretary (Membership No. FCS: 6897; CP No: 4202), to act as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.
 - IX. The procedure and instructions for remote e-voting are, as follows:
 - Step 1 : Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
 - Step 2 : Now click on "Shareholders" to cast your votes.
 - Step 3 : Now, fill up the following details in the appropriate boxes:
 - User-ID a) For CDSL : 16 digits beneficiary ID
 - b) For NSDL : 8 Character DP ID followed by 8 Digits Client ID
 - c) Members holding shares in physical form should enter the Folio Number registered with the Company.
 - Step 4 : Next, enter the Image Verification as displayed and Click on Login.
If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used

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

	For members holding shares in demat form and physical form:
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. Members who have not updated their PAN with the Company/DepositoryParticipant are requested to use the first two letters of their name and the8 digits of the sequence number in the PAN field.In case the sequence number is less than 8 digits enter the applicablenumber of O’s before the number after the first two characters of the namein CAPITAL letters. Eg. If your name is Ramesh Kumar with sequencenumber 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in dd/mm/yyyy format.
Dividend Bank Details*	Enter the Dividend Bank Details as recorded in your demat account or the Company records for the said folio. If the details are not recorded with the Depository or Company, please enter the number of Shares held by you in the bank account column.

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

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

Step 7 : Members holding shares in physical form will then directly reach the Company selection screen. However, first time user holding shares in demat form will now reach ‘Password Creation’ menu where in they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that the Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential

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

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

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

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

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

Step 12 : After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

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

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

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

- After receiving the login details, a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scan copy of the Board Resolution and Power of Attorney (“POA”) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

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

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

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

***Pvt. Companies excluded**

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

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

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

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

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

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

The Board of Directors recommends the resolution for approval of shareholders

ITEM: 5 & 6

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

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

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

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

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

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

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

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

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

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

Regd office:

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

Date : 14/08/2015

Place : Ahmedabad

By Order of the Board

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

DIRECTORS' REPORT

To,
THE MEMBERS,

Your Directors have pleasure in submitting their 23rd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

I. Financial RESULTS: (Amount in Rs.)

Particulars	Year ending on 31 st March, 2015	Year ending on 31 st March, 2014
Sales	15620384	23323478
Other Income	714019	6464417
Total Income	16334403	29787895
Less: Expenditure	15900884	29088161
Profit/Loss before interest, depreciation and tax	433519	699734
Less: Interest	-	-
Less: Depreciation & Amortization cost	173533	191614
Profit/ (Loss) before Tax	259986	508120
Less: Tax Expense	-	170000
Profit/ (Loss) after Tax	259986	338120

II. FINANCIAL PERFORMANCE:

During the period under review your Company has made a profit of Rs. 2,59,986/- and there is no provision for income tax during the current year, thus a net credit balance of Rs. 2,59,986/- has been transferred to Reserve & Surplus A/c for the current period. Your Directors are optimistic about company's business and hopeful of better performance with increased revenue in next year

III. DIVIDEND:

To conserve the resources for the future requirement of the company, your directors have not recommended any dividend for the year.

IV. FIXED DEPOSITS:

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

V. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE ENDS 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 this financial statement relate on the date of this report.

VI. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

VII. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the period under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls

VIII. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

IX. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

X. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**A. CONSUMPTION OF ENERGY & TECHNOLOGY ABSORPTION:**

The details as required under Section 134 (3) (m) of the Companies Act, 2013, in respect of Conservation of Energy, Technology Absorption are not applicable.

B. FOREIGN EXCHANGE EARNING & OUTGO :

Foreign Exchange Earning : NIL

Foreign Exchange Outgo : NIL

XI. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year no contracts or arrangements were made with related parties falling under the purview of Section 188 of the Companies Act, 2013.

There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

XII. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**a. Cessation**

During the year Mr. Ketan N. Shah (Din: 00913411), Mr. Nayan C. Shah (Din: 00823070), Mr. Sandip R. Shah (Din: 00912721) And Mr. Ashokkumar R. Patel (Din: 02993352) resigned from the Board of directors of the Company w.e.f. 30th May, 2014. The Board has noted their contribution as Director of the Company during his tenure on the Board of the Company.

b. Retirement by rotation

In accordance with the provisions of section 152[6] of the Act and in terms of Articles of Association of the Company, Mr. Dahyabhai B. Sachania (DIN: 02468095) retires at this Annual General Meeting and being eligible offer themselves for re- appointment. The Board recommends his reappointment.

c. Independent Directors:

Mr. Harsad S. Gandhi and Mr. Nishit M. Rupapara are the existing Independent Directors. The Company proposes to appoint them as Independent Directors under Section 149 of the Companies Act, 2013, for a period of five consecutive years from the date of this Annual General Meeting. In accordance with the provisions of the Act, none of the Independent Directors are liable to retire by rotation.

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

d. Number of Board Meetings conducted during the year under review

The Company had 4(Four) Board meetings on 30/05/2014, 11/08/2014, 14/11/2014, and 13/02/2015 during the financial year under review.

e. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

XIII. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed.

- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review.
- c. 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 and for preventing and detecting fraud and other irregularities.
- d. The directors had prepared the annual accounts on a going concern basis.
- e. 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.
- f. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

XIV. DISCLOSURE OF COMPOSITION OF 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.

The Audit Committee of Company was reconstituted with effect from 30.05.2014 (due to Resignation of Mr. Nayan C. Shah member of the committee) and further re-constituted as per the provisions of Clause 49 of the Listing Agreement with Stock Exchanges read with Section 177 of the Companies Act, 2013 with effect from 14.11.2014 and as on the date of this Report, the Audit Committee comprises:-

- A. Mr. Harshad S. Gandhi
- B. Mr. Nishit M. Rupapara
- C. Mr. Shivkumar R. Chauhan

The above composition of the Audit Committee consists of Independent Directors viz., Mr. Harshad S. Gandhi and Mr. Nishit M. Rupapara who form the majority.

The scope and terms of reference of the Audit Committee have been amended in accordance with the Act and the Listing Agreement entered into with the Stock Exchanges. During the period under review, the Board of Directors of the Company had accepted all the recommendations of the Committee

XV. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure "A"** and is attached to this Report.

XVI. AUDITORS**a. Statutory Auditor**

The present Auditors of the Company M/s. Praful N. Shah, Chartered Accountants, Ahmedabad were appointed as Auditors and will retire at the ensuing Annual General Meeting. M/s. Praful N. Shah, Chartered Accountants, have submitted certificate for their eligibility for appointment under Section 139 of the Companies Act, 2013. Board of Directors of your Company favour their re-appointment as Auditors of the Company and such re-appointment if done, shall be upto the conclusion of 25th Annual General Meeting of the Company.

The notes and remarks of Auditors' are self-explanatory and therefore do not require any further clarification.

b. Cost Auditor

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

c. Secretarial Auditor

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practising Company Secretary. M/s Khandelwal Devesh & Associates, Company Secretaries had been appointed to issue Secretarial Audit Report for the period ended on 31st March 2015.

Secretarial Audit Report issued by M/s Khandelwal Devesh & Associates, Company Secretaries in Form MR-3, attached and marked as **Annexure "B"**, for the period under review forms part of this report. The said report contains observation or qualification relating to the appointment of Company Secretary and CFO. The Board of Directors of your Company would like to explain on the said observation that your Company took all reasonable steps to do such appointments, but as your Company is not doing well in its present line of business activity, it failed to attract right candidates for such post. The Board of your Company has appointed Mr. Biren J. Thaker as its CFO w.e.f. 28/05/2015 and continues its efforts to search right candidate for the post of Company Secretary and will appoint the Company Secretary as soon as possible.

XVII. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy. Whistle Blower Policy is disclosed on the website of the Company at www.charmsindustries.in

XVIII. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

XIX. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable

XX. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Corporate Governance Report forming part of the Annual Report.

XXI. CORPORATE GOVERNANCE:

The Company has complied with the Corporate Governance requirements under the Act and as stipulated under clause 49 of the Listing Agreement. A separate section on detailed report on the Corporate Governance practices followed by the Company under the Listing Agreement along with a certificate from M/s. PRAFUL N. SHAH & CO, confirming the compliance, is part of the Annual Report.

XXII. PARTICULARS REGARDING EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms part of this report as '**Annexure C**'. However, as permitted in terms of Section 136 of the Act, this Annual Report is being sent to all the members and others entitled thereto, excluding the said annexure. Members who are interested in obtaining these particulars may write to the Compliance Officer at the Registered Office of the Company. The aforesaid annexure is also available for inspection by members at the Registered Office of the Company, 21 days before the 23rd Annual General Meeting and upto the date of Annual General Meeting during business hours on working days.

ACKNOWLEDGEMENT:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board

Date : 14/08/2015

Place : Ahmedabad

Harsad S. Gandhi
Chairman
(DIN: 01056779)

"Annexure-A"

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN:	L72900GJ1992PLC017494
2.	Registration Date	24/04/1992
3.	Name Of The Company	CHARMS INDUSTRIES LIMITED
4.	Category / Sub-Category Of The Company	Public limited/ Limited by shares
5.	Address Of The Registered Office And Contact Details	108-B/109 Sampada Buildingmithakhali Six Roads, Opp-Hare Krishna Complex, B/H Kiran Motors, Ahmedabad-380009, Gujarat
6.	Whether Listed Company	Yes
7.	Name, Address And Contact Details Of Registrar And TransferAgent, If Any	SHAREPRO SERVICES (INDIA) PVT LTD. 416-420, 4 th Floor, Devnandan Mall,Opp. Sanyash Ashram, Ellisbridge, Ahmedabad-380006 sharepro.ahmedabad@shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities Contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Full Fledge Money Changer	64990	95.63%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
Nil					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2014)				No. of Shares held at the end of the year (31/03/2015)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
	(1) Indian									
	a) Individual/ HUF	702815	4840	707655	17.24	856840	4840	861680	20.99	3.75
	b) Central Govt									
	c) State Govt(s)									
	d) Bodies Corp.	-	10000	10000	0.24	-	10000	10000	0.24	-
	e) Banks / FI									
	f) Any other...									
	Sub-total(A) (1):-	702815	14840	717655	17.48	856840	14840	871680	21.23	3.75
	(2) Foreign									
	a) NRIs-Individuals									
	b) Other-Individuals									
	c) Bodies Corp.									
	d) Banks/ FI									
	e) Any Other....									
	Sub-total(A) (2):-	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A)=(A)(1)+(A)(2)	702815	14840	717655	17.48	856840	14840	871680	21.23	3.75
B.	Public Shareholding									
	1. Institutions									
	a) Mutual Funds									
	b) Banks/FI									
	c) Central Govt.									
	d) State Govt.(s)									
	e) Venture Capital Fund									
	f) Insurance Companies									
	g) FIIS									
	h) Foreign Venture Capital Funds									
	i) Others (specify)									
	Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

CHARMS INDUSTRIES LIMITED

	Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2014)				No. of Shares held at the end of the year (31/03/2015)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	2. Non-Institutions									
	a) Bodies Corp.	508157	5900	514057	12.52	250718	5900	256618	6.25	-6.27
	i) Indian									
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	975172	627500	1602672	39.03	1073828	622900	1696728	41.32	2.29
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	997330	204100	1201430	29.26	1006688	204100	1210788	29.49	0.23
	c) Others (specify)									
	i) Non Resident Repatriates	63	70000	70063	1.71	63	70000	70063	1.71	-
	ii) Non Resident Non Repatriates	223	-	223	0.01	223	-	223	0.01	-
	Sub-total (B) (2):-	2480945	907500	3388445	82.52	2331520	902900	3234420	78.77	-3.75
	Total Public Shareholding (B)=(B) (1)+ (B) (2)	2480945	907500	3388445	82.52	2331520	902900	3234420	78.77	-3.75
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	3183760	922340	4106100	100	3188360	917740	4106100	100	-

(ii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shivkumar R. Chauhan	513584	12.51	-	828540	20.18	-	7.67
2	Sandip R. Shah*	61028	1.49	-	0	0	-	-1.49
3	Ketan N. Shah*	45152	1.10	-	0	0	-	-1.10
4	Hemal K. Shah*	31191	0.76	-	0	0	-	-0.76
5	Mona S. Shah*	23560	0.57	-	0	0	-	-0.57
6	Nehal S. Chauhan	33140	0.81	-	33140	0.81	-	-
7	Panth Developers And Finance Private Limited	10000	0.24	-	10000	0.24	-	-
	Total	717655	17.48	-	871680	21.23	-	3.75

* Mr. Ketan N. Shah ceased to be Managing Director and also as Director of the Company w.e.f. 30/05/2014 and Mr. Sandip R. Shah ceased to be director of the Company w.e.f. 30/05/2014 and therefore the remaining shareholding of Sandip R. Shah, Mr. Ketan N. Shah, Mrs. Hemal K. Shah and Mrs. Mona Shah as on 30/05/2014 were being categorized under the category of public instead of Promoter Group.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr.No.	Each of the Promoters	Shareholding at the beginning of the year		Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning end of the year	% of total shares of the Company			No. of Shares	% of total shares of the Company
1.	Shivkumar R. Chauhan						
	At the beginning of the year	513584	12.51			513584	12.51
	Increase as on 06/06/2014			87500	Transfer	601084	14.64
	Increase as on 13/06/2014			35500	Transfer	636584	15.50
	Increase as on 20/06/2014			51000	Transfer	687584	16.75
	Increase as on 30/06/2014			20000	Transfer	707584	17.23
	Increase as on 11/07/2014			14000	Transfer	721584	17.57
	Increase as on 08/08/2014			38494	Transfer	760078	18.51
	Increase as on 22/08/2014			21000	Transfer	781078	19.02
	Increase as on 12/09/2014			40005	Transfer	821083	20.00
	Increase as on 27/03/2015			7457	Transfer	828540	20.18
	At the end of the Year	828540	20.18			828540	20.18

CHARMS INDUSTRIES LIMITED

Sr.No.	Each of the Promoters	Shareholding at the beginning of the year		Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning end of the year	% of total shares of the Company			No. of Shares	% of total shares of the Company
2.	Sandip R. Shah*						
	At the beginning of the year	61028	1.49			61028	1.49
	Decrease as on 13/06/2014			-26800	Transfer	34228	0.83
	Decrease as on 20/06/2014			-23267	Transfer	10961	0.27
	At the end of the Year	10961	0.27			10961	0.27
3.	Ketan N. Shah*						
	At the beginning of the year	45152	1.10			45152	1.10
	Decrease as on 25/04/2014			-45152	Transfer	0	0
	At the end of the Year	0	0			0	0
4.	Hemal K. Shah*						
	At the beginning of the year	31191	0.76			31191	0.76
	Decrease as on 25/04/2014			-25350	Transfer	5841	0.14
	Decrease as on 30/05/2014			-5841	Transfer	0	0
	At the end of the Year	0	0			0	0
5.	Mona S. Shah*						
	At the beginning of the year	23560	0.57			23560	0.57
	Decrease as on 13/06/2014			-23560	Transfer	0	0
	At the end of the Year	0	0			0	0
6.	Nehal S. Chauhan						
	At the beginning of the year	33140	0.81			33140	0.81
	No changes during the year			No Changes During the year			
	At the end of the Year	33140	0.81			33140	0.81
7.	Panth Developers And Finance Private Limited						
	At the beginning of the year	10000	0.24			10000	0.24
	No changes during the year			No Changes During the year			
	At the end of the Year	10000	0.24			10000	0.24

* Mr. Ketan N. Shah ceased to be Managing Director and also as Director of the Company w.e.f. 30/05/2014 and Mr. Sandip R. Shah ceased to be director of the Company w.e.f. 30/05/2014 and therefore the remaining shareholding of Sandip R. Shah, Mr. Ketan N. Shah, Mrs. Hemal K. Shah and Mrs. Mona Shah as on 30/05/2014 were being categorized under the category of public instead of Promoter Group.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning end of the year	% of total shares of the Company			No. of Shares	% of total shares of the Company
1.	Amrapali aadya trading & investment pvt. Ltd.						
	At the beginning of the year	378349	9.21			378349	9.21
	Decrease as on 13/06/2014			-4600	Transfer	373749	9.10
	Decrease as on 20/06/2014			-31741	Transfer	342008	8.33
	Decrease as on 30/06/2014			-210495	Transfer	131513	3.20
	At the end of the Year	131513	3.20			131513	3.20
2.	Magunta Raghav						
	At the beginning of the year	203450	4.95			203450	4.95
	Decrease as on 11/07/2014			-203450	Transfer	0	0
	At the end of the Year	0	0	0	0	0	0
3.	Reema Bhavin Shah						
	At the beginning of the year	97265	2.37			97265	2.37
	No changes during the year			No Changes During the year			
	At the end of the Year	97265	2.37			97265	2.37
4.	Yunus Idris Attarwala						
	At the beginning of the year	78125	1.90			78125	1.90
	Decrease as on 30/06/2014			-42366	Transfer	35489	0.86
	Decrease as on 04/07/2014			-24139	Transfer	11350	0.28
	Decrease as on 11/07/2014			-11350	Transfer	0	0
	At the end of the Year	0	0			0	0
5.	Babulal Jain						
	At the beginning of the year	74738	1.82			74738	1.82
	Increase as on 05/09/2014			33557	Transfer	108295	2.64
	At the end of the Year	108295	2.64			108295	2.64
6.	Bina Shah Fleck						
	At the beginning of the year	50000	1.22			50000	1.22
	No changes during the year			No Changes During the year			
	At the end of the Year	50000	1.22			50000	1.22

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Sr.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning end of the year	% of total shares of the Company			No. of Shares	% of total shares of the Company
7.	Marfatia Stock Broking Private Limited						
	At the beginning of the year	41734	1.02			41734	1.02
	Decrease as on 18/04/2014			-34999	Transfer	6735	0.16
	Increase as on 25/04/2014			98787	Transfer	105522	2.57
	Decrease as on 30/05/2014			-34159	Transfer	71363	1.74
	Decrease as on 06/06/2014			-66363	Transfer	5000	0.12
	Decrease as on 02/01/2015			-5000	Transfer	0	0
	At the end of the Year	0	0	0	0	0	0
8.	Bharat Bhudarji Thakkar						
	At the beginning of the year	39700	0.97			39700	0.97
	No changes during the year			No Changes During the year			
	At the end of the Year	39700	0.97			39700	0.97
9.	Daanish Taher Sayed						
	At the beginning of the year	37152	0.90			37152	0.90
	Decrease as on 30/06/2014			-37152	Transfer	0	0
	At the end of the Year	0	0			0	0
10.	Mahesh Shankarlal Shah						
	At the beginning of the year	36691	0.89			36691	0.89
	Decrease as on 11/04/2014			-39	Transfer	36652	0.89
	At the end of the Year	36652	0.89			36652	0.89
11.	Laxmipat Dudheria						
	At the beginning of the year	0	0			0	0
	Increase as on 14/11/2014			48307	Transfer	48307	1.18
	At the end of the Year	48307	1.18			48307	1.18
12.	Ans Pvt Limited						
	At the beginning of the year	0	0			0	0
	Increase as on 20/06/2014			5000	Transfer	5000	0.12
	Increase as on 11/07/2014			69200	Transfer	74200	1.81
	Decrease as on 18/07/2014			-12900	Transfer	61300	
	Decrease as on 25/07/2014			-15000	Transfer	46300	
	Decrease as on 01/08/2014			-41300	Transfer	5000	
	Increase as on 12/09/2014			4100	Transfer	9100	
	Decrease as on 19/09/2014			-8175	Transfer	925	
	Increase as on 30/09/2014			105	Transfer	1030	
	Decrease as on 10/10/2014			-530	Transfer	500	
	Decrease as on 14/11/2014			-500	Transfer	0	0
	At the end of the Year	0	0			0	0

CHARMS INDUSTRIES LIMITED

Sr.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning end of the year	% of total shares of the Company			No. of Shares	% of total shares of the Company
13.	Vipul R. Gandhi						
	At the beginning of the year	0	0			0	0
	Increase as on 01/08/2014			41300	Transfer	41300	1.01
	Increase as on 19/09/2014			4100	Transfer	45400	1.11
	Decrease as on 30/09/2014			-400	Transfer	45000	1.10
	At the end of the Year	45000	1.10			45000	1.10
14.	Parimal Jayant						
	At the beginning of the year	0	0			0	0
	Increase as on 18/04/2014			34999	Transfer	34999	0.85
	At the end of the Year	34999	0.85			34999	0.85
15.	Vimal C Shah HUF						
	At the beginning of the year	0	0			0	0
	Increase as on 18/04/2014			1999	Transfer	1999	0.05
	Increase as on 25/04/2014			640	Transfer	2639	0.06
	Increase as on 09/05/2014			350	Transfer	2989	0.07
	Increase as on 20/06/2014			12000	Transfer	14989	0.36
	Increase as on 30/06/2014			36000	Transfer	50989	1.24
	Decrease as on 14/11/2014			-40989	Transfer	10000	0.24
	At the end of the Year	10000	0.24			10000	0.24
16.	Bansal Finstock Pvt. Ltd.						
	At the beginning of the year	0	0			0	0
	Increase as on 11/07/2014			41100	Transfer	41100	1.00
	Decrease as on 15/08/2014			-41100	Transfer	0	0
	At the end of the Year	0	0			0	0
17.	Rajendra Dhirajlal Gandhi						
	At the beginning of the year	0	0			0	0
	Increase as on 15/08/2014			41100	Transfer	41100	1.00
	Increase as on 12/09/2014			58900	Transfer	100000	2.44
	At the end of the Year	100000	2.44			100000	2.44

CHARMS INDUSTRIES LIMITED

Sr.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning end of the year	% of total shares of the Company			No. of Shares	% of total shares of the Company
18.	Sunil Kr Agarwal						
	At the beginning of the year	0	0			0	0
	Increase as on 30/06/2014			85501	Transfer	85501	2.08
	Increase as on 04/07/2014			100	Transfer	85601	2.08
	Increase as on 11/07/2014			7400	Transfer	93001	2.26
	Increase as on 18/07/2014			10025	Transfer	103026	2.51
	Increase as on 25/07/2014			21261	Transfer	124287	3.03
	Increase as on 01/08/2014			20	Transfer	124307	3.03
	Increase as on 08/08/2014			824	Transfer	125131	3.05
	Decrease as on 05/09/2014			-55700	Transfer	69431	1.69
	Decrease as on 12/09/2014			-69431	Transfer	0	0
	At the end of the Year	0	0			0	0
19.	Bijay Kumar Gupta						
	At the beginning of the year	0	0			0	0
	Increase as on 04/07/2014			46599	Transfer	46599	1.13
	Decrease as on 25/07/2014			-4387	Transfer	42212	1.03
	Decrease as on 01/08/2014			-42212	Transfer	0	0
	At the end of the Year	0	0			0	0
20.	Pratik Rajendra Gandhi						
	At the beginning of the year	0	0			0	0
	Increase as on 18/07/2014			288	Transfer	288	0.00
	Increase as on 25/07/2014			49712	Transfer	50000	1.22
	At the end of the Year	50000	1.22			50000	1.22
21.	Ventura Securities Limited						
	At the beginning of the year	0	0			0	0
	Increase as on 30/06/2014			16262	Transfer	16262	0.40
	Increase as on 04/07/2014			23500	Transfer	39762	0.97
	Decrease as on 01/08/2014			-310	Transfer	39452	0.96
	Decrease as on 22/08/2014			-10455	Transfer	28997	0.71
	Decrease as on 25/09/2014			-28997	Transfer	0	0
	At the end of the Year	0	0			0	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sr.No.	Each of the Directors and KMP	Shareholding at the beginning of the year		Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning end of the year	% of total shares of the Company			No. of Shares	% of total shares of the Company
1.	Shivkumar R. Chauhan						
	At the beginning of the year	513584	12.51			513584	12.51
	Increase as on 06/06/2014			87500	Transfer	601084	14.64
	Increase as on 13/06/2014			35500	Transfer	636584	15.50
	Increase as on 20/06/2014			51000	Transfer	687584	16.75
	Increase as on 30/06/2014			20000	Transfer	707584	17.23
	Increase as on 11/07/2014			14000	Transfer	721584	17.57
	Increase as on 08/08/2014			38494	Transfer	760078	18.51
	Increase as on 22/08/2014			21000	Transfer	781078	19.02
	Increase as on 12/09/2014			40005	Transfer	821083	20.00
	Increase as on 27/03/2015			7457	Transfer	828540	20.18
	At the end of the Year	828540	20.18			828540	20.18
2.	Sandip Rajnikant Shah*						
	At the beginning of the year	61028	1.49			61028	1.49
	Decrease as on 13/06/2014			-26800	Transfer	34228	0.83
	Decrease as on 20/06/2014			-23267	Transfer	10961	0.27
	At the end of the Year	10961	0.27			10961	0.27
3.	Ketan Nalinkant Shah*						
	At the beginning of the year	45152	1.10			45152	1.10
	Decrease as on 25/04/2014			-45152	Transfer	0	0
	At the end of the Year	0	0			0	0
4.	Nayan Champaklal Shah*						
	At the beginning of the year	0	0			0	0
	No Changes during the year	0	0				
	At the end of the Year	0	0			0	0
5.	Ashokkumar R. Patel*						
	At the beginning of the year	0	0			0	0
	No Changes during the year	0	0				
	At the end of the Year	0	0			0	0

CHARMS INDUSTRIES LIMITED

Sr.No.	Each of the Directors and KMP	Shareholding at the beginning of the year		Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning end of the year	% of total shares of the Company			No. of Shares	% of total shares of the Company
6.	Harsad Shantilal Gandhi						
	At the beginning of the year	0	0			0	0
	No Changes during the year	0	0				
	At the end of the Year	0	0			0	0
7.	Nishit M. Rupapara						
	At the beginning of the year	0	0			0	0
	No Changes during the year	0	0				
	At the end of the Year	0	0			0	0
8.	Dahyabhai B. Sachania						
	At the beginning of the year	0	0			0	0
	No Changes during the year	0	0				
	At the end of the Year	0	0			0	0

***Sandip R. Shah, Ketan N. Shah, Nayan C. Shah, Ashokkumar R. Patel has Resigned from the office of the director of the Company W.E.F. 30/05/2014**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	209636	-	209636
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	209636	-	209636
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	Nil	-	Nil
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	209636	-	209636
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	209636	-	209636

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Shivkumar R. Chauhan	(Rs.)
1	Gross salary	300000	300000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		Nil
2	Stock Option		Nil
3	Sweat Equity		Nil
4	Commission		Nil
	- as % of profit		
	- others, specify...		
5	Others, please specify		Nil
	Total (A)	300000	300000
	Ceiling as per the Act	3000000	3000000

B. Remuneration to other directors:

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Harsad S. Gandhi	Mr. Dahyabhai B. Sachania	Mr. Nishit M. Rupapara	
1	Independent Directors	✓		✓	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors		✓		
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel Other than MD/ Manager/ WTD:

SN.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	others, specify...			
5	Others, please specify			
	Total	NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			N.A.		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			N.A.		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			N.A.		
Punishment					
Compounding					

"Annexure - B"

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

[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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CHARMS INDUSTRIES LIMITED (CIN: L72900GJ1992PLC017494) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the CHARMS INDUSTRIES LIMITED 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/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 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/we have examined the books, papers, minute books, forms and returns filed and other records maintained by CHARMS INDUSTRIES LIMITED ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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;
- (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) 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;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during Audit Period).
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange(s), if applicable;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except relating to the appointment of Company Secretary (CS) and Chief Financial Officer (CFO).

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 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.

There were no dissenting views on any matter. 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.

For, **Khandelwal Devesh & Associates**
Company Secretaries

Devesh B. Khandelwal
Proprietor
FCS: 6897
COP: 4202

Place : Ahmedabad
Date : 14/08/2015

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion & Analysis Report Pursuant to Clause 49 of Listing Agreement:

i) Industry Structure and Development

Our Company is in the business of trading in Foreign Currency. The Management team comprising one of the Managing Director is looking after day to day management of the company. The foreign exchange changer business is mainly based on transfer from/to NRIs, foreign tourist, Indian tourist going abroad, business delegate to/from India, students going abroad etc. and the management sees the development of this sector good in comparison to last year. The central as well as State Government is taking adequate steps for the development of tourism industry and such steps will generate positive business growth for this sector.

ii) Opportunities and Threats

There is a considerable scope of growth in the business of trading in Foreign Currency market because of increased visitors to Foreign Countries for which the management will put all efforts to increase the business of the company. Steps of the Government for development of tourism and education will bring good news for development of our sector.

iii) Internal Control system and their adequacy

The Company has a proper and adequate system of internal control and ensure that all assets are safeguard and protected against from unauthorized use or disposition, which has been looked after by Shivkumar Chauhan, Managing Director of the Company.

iv) Financial performance with respect to operational performance

The Financial performance of the Company for the year **2014-15** is described in the Directors' Report under the head operations.

v) Human Resources/ Industrial Relations

Relation between management and the employees at all level remained healthy and cordial throughout the year. The management and the employees are dedicated to achieve the corporate objectives and the targets set before the company.

vi) Cautionary Statement

Statement in this management Discussion and Analysis describing the company's objectives, projections, estimated and expectations are "forward looking statements" Actual results might differ, materially from those anticipated because of changing ground realities.

For and on behalf of the Board

Date : 14/08/2015
Place : Ahmedabad

Harsad S. Gandhi
Chairman
(DIN: 01056779)

REPORT ON CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

As a part of Company's growth strategy, the company believes in adopting the best practices that are followed in the area of Corporate Governance. The Company emphasizes full transparency and accountability in all areas of its operations, in order to protect the interests of all stakeholders. The Company has complied with the mandatory provisions of clause 49 of the Listing Agreement with the Stock Exchanges.

2. BOARD OF DIRECTORS:

The policy of the Company is to maintain optimum combination of Executive and Non-Executive Directors on its Board. The Board of Directors of the Company (the Board) consists of 5 Directors, of which 2 are Independent Directors

a) Compositions of the Board and category of Directors are as follows:

NAME OF DIRECTORS	CATEGORY	NO OF BOARD MEETINGS ATTENDED		ATTENDANCE AT THE LAST ANNUAL GENERAL MEETING	NO OF BOARD COMMITTEE	
		Held	Attended		Member ship	Chairman ship
Mr. Shivkumar R. Chauhan Managing Director DIN: 00841729	Promoter Executive Director	4	4	YES	NIL	NIL
Mr. Harsad S. Gandhi Director DIN: 01056779	Independent Non-Executive	4	4	YES	NIL	NIL
Mr. Dahyabhai B. Sachania Director DIN: 02468095	Non-Executive Non-Independent	4	2	NO	NIL	NIL
Mr. Nishit M. Rupapara Director DIN: 02859031	Independent Non-Executive	4	4	YES	NIL	NIL
Mrs. Nehal S. Chauhan# Director DIN: 02901331	Promoter Non-executive	-	-	NO	NIL	NIL

Mrs. Nehal S. Chauhan was appointed as an additional director on 6th April, 2015.

b) Board Meetings:

The Board of Directors meets at least once a quarter to review the performance and Financial Results. A detailed agenda file is sent to all Directors well in time of the Board Meetings. The Chairman/Director briefs the Directors at every Board Meeting about the overall performance of the Company. All major decisions/ Approvals are taken at the Meeting of the Board of Directors such as policy formation, Business plans, budgets, investment opportunities, Statutory Compliance etc. During the year 2014-15 Four (4) Board Meetings held on **30/05/2014, 11/08/2014, 14/11/2014, and 13/02/2015.**

c) Board Evaluation

Pursuant to the provisions of the Act and Rules made there under and as provided under Schedule IV of the Act and clause 49 of the Listing Agreement, the Board has carried out the evaluation of its own performance, individual Directors, its Committees, including the Chairman of the Board.

The annual evaluation framework for assessing the performance of Directors comprises of the following key areas:

a) Attendance for the meetings, participation and independence during the meetings;

- b) Interaction with Management;
- c) Knowledge and proficiency;
- d) Strategic perspectives or inputs

The Board has evaluated the composition of Board, its committees, experience and expertise, performance of specific duties and obligations, governance issues, etc. and the Directors expressed their satisfaction with the evaluation process

d) Meetings of Independent Directors

Separate meetings of Independent Directors in compliance with Schedule IV of the Companies Act, 2013 were held during the year and all independent directors were present at the said meetings.

e) Training To Directors

The Company had arranged familiarization programmes for all the Directors during the year. The programmes were aimed to familiarize the Directors with processes, business and actual functioning of the Company so as to enable them to carry out their role effectively.

f) Code Of Conduct

The Board has prescribed the Code of Conduct for all its Board Members and Senior Management. The Code of Conduct has been posted on Company's Website at www.charmsindustries.in The Managing Director has confirmed to the Board that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year ended on 31 March, 2015. A declaration to this effect signed by Managing Director is forming part of the Annual Report.

3. AUDIT COMMITTEE:

a) Composition of Audit Committee

The Audit Committee of Company was reconstituted with effect from 30.05.2014 (due to Resignation of Mr. Nayan C. Shah member of the committee) and further re-constituted as per the provisions of Clause 49 of the Listing Agreement with Stock Exchanges read with Section 177 of the Companies Act, 2013 with effect from 14.11.2014.

During the Year, four meetings of the Committee were held on **30/05/2014, 11/08/2014, 14/11/2014, and 13/02/2015**. The necessary quorum was present at the Meetings.

The details of composition of Audit Committee are as follows:

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	STATUS	No. OF MEETINGS	
			Held	Attended
Mr. Harsad S. Gandhi	IndependentNon Executive	Chairman	4	4
Mr. Shivkumar R. Chauhan	Non-IndependentExecutive	Member	4	4
Mr. Nishit M. Rupapara	IndependentNon Executive	Member	4	4

b) Terms of reference

- To investigate into any matter in relation to the items specified under Clause 49 of the listing Agreement.
- 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.

4. NOMINATION AND REMUNERATION COMMITTEE:**a) Composition of Nomination and Remuneration Committee**

The Remuneration Committee was reconstituted with effect from 30.05.2014 and further reconstituted and renamed as Nomination and Remuneration Committee on 14.11.2014 in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the listing Agreement.

After reconstitution the Committee comprises of the following members:

NAME OF DIRECTOR	CATEGORY OF DIRECTORSHIP	REMARKS
Mr. Harsad S. Gandhi	Independent Non Executive	Chairman
Mr. Nishit M. Rupapara	Independent Non Executive	Member
Mr. Dahyabhai B. Sachania	Non-Independent Non Executive	Member

During the year, a meeting was held on 30.05.2014 and 14.11.2014 and were attended by majority of members of the committee.

b) Terms of Reference

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

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

c) Remuneration Policy

The Board determines the remuneration payable to the Executive Directors taking into account their qualification, expertise and contribution and based on recommendations of the Nomination and Remuneration Committee. Non-Executive Directors are eligible to receive sitting fees for attending Board / Committee Meetings as decided by the Board within the limits prescribed under the Companies Act, 2013.

The Remuneration policy of the Company is as under:

i. Remuneration to Non-Executive Directors:

- A Non-Executive Director is eligible to receive sitting fees for each meeting of the Board or Committee of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014.

ii. Remuneration to Executive Directors:

- The Board in consultation with the Nomination & Remuneration Committee decides the remuneration structure for Executive Directors. On the recommendation of the Nomination & Remuneration Committee the Remuneration paid/payable is approved by the Board of Directors and by the members in the General Meeting in terms of provisions applicable from time to time.

d) Details of remuneration paid / payable to Directors during the year 2014-15:

Details of remuneration paid to Managing Director for the financial year 2014-15 are as follows:

Name	Salary	Perquisites	Commission	Total
Mr. Shivkumar R. Chauhan	Rs. 300000/-	0	0	Rs. 300000/-

No sitting fee has been given to any of the director during the year under report.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Shareholders'/Investors' Grievance/ Transfer Committee was reconstituted and renamed as Stakeholders Relationship Committee on 14.11.2014 in accordance with the provisions of Section 178(5) of the Companies Act,

2013 and Clause 49 of the listing Agreement and after reconstitution the Committee comprises of the following members:

NAME OF DIRECTOR	CATEGORY OF DIRECTORSHIP	REMARKS
Mr. Harsad S. Gandhi	Independent Non Executive	Chairman
Mr. Shivkumar R. Chauhan	Non-Independent Executive	Member
Mr. Nishit M. Rupapara	Independent Non Executive	Member

a) 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, 2015 are NIL.

b) Compliance Officer

Mr. Shivkumar R. Chauhan is the Compliance Officer of the Company for the above purpose.

6. General Body Meeting:

The last three Annual General Meeting of the Company were held within the Statutory time period and the details of the same are as under:

AGM	DATE	TIME	VENUE	NO. OF SPECIAL RESOLUTIONS APPROVED
22 nd	27.09.2014	1.00 P.M	Ground Floor, Sampada Building, B/h A.K.Patel House, Mithakhali six Roads, Navrangpura,	0
21 st	30.09.2013	12.30 P.M.	Ahmedabad-9.	0
20 th	20.09.2012	11.00 A.M.		1

There were no special resolutions passed by the Company at the previous AGM of the company. Pursuant to the provisions of section 110 of the Companies Act, 2013, there was no matter during the year 2014-15, required to be dealt by the company to be passed through postal ballot.

7. DISCLOSURES

a) There was no transaction of material nature with Management or with the Directors of the Company during the year.

b) There was no instance of Non-compliance of any matter related to the capital markets during the last three years.

c) Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement, the Company has a Whistle- Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct and ethics Policy. The said mechanism also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. During the year, no personnel were denied access to the Audit Committee. The said policy has been uploaded on the website of the Company at www.charmsindustries.in

d) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

8. MEANS OF COMMUNICATION

During the year, Quarterly and Annual Financial results (Unaudited) of the company were submitted to the Stock Exchanges immediately after the Board meeting approved the same in Free Press Gujarat (English) and Lokmitra Gujarati Daily (Gujarati). The same are displayed on the website of the Company. i.e www.charmsindustries.in

9. GENERAL SHAREHOLDERS’ INFORMATION:

i. Annual General Meeting

Date	30 th September,2015
Venue	Ground Floor, Sampada Building, B/h. A. K. Patel House, Mithakhali Six Road, Navrangpura, Ahmedabad-380009
Time	11.30 A.M

ii. Financial Calendar For Financial Year 2015-16

Financial year	1st April, 2015 to 31st March, 2016
Results for the First quarter ending 30th June, 2015	2 nd Week of August, 2015
Results for the Second quarter ending 30th September, 2015	2 nd Week of November, 2015
Results for the Third quarter ending 31st December, 2015	2 nd Week of February, 2016
Result for the year ending 31st March, 2016	End of May, 2016
Annual General Meeting	End of September, 2016

iii. Date of Book-Closure : 23rd September, 2015 to 30th September, 2015 **(both days inclusive)**

iv. Dividend Payment date : Not Applicable

v. Listing on Stock Exchange

Stock Exchange	Stock Code
BSE	531327
ASE	11451

10. MARKET PRICE DATA

Market price data of Bombay Stock Exchange Limited, Mumbai for the year **2014-15** is given below:

MONTH	BSE		SHARES TRADED (NO.)
	HIGH(RS.)	LOW(RS.)	
April, 2014	4.17	2.78	120207
May, 2014	3.41	2.89	48358
June, 2014	3.40	1.97	488897
July, 2014	3.03	1.80	420063
August, 2014	3.05	2.09	31603
September,2014	2.94	1.82	146327
October, 2014	3.14	2.80	4053
November, 2014	3.36	2.63	78337
December,2014	3.65	3.14	6875
January, 2015	3.27	2.85	3121
February, 2015	3.20	2.89	5200
March, 2015	2.75	2.37	13146

11. DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2015.

No. of EquityShares Held	No. of Shareholders	% of Share Holders	No. of Shares Held	% of shareholding
Up to 500	2512	80.49	600121	14.615
501 to 1000	270	8.651	235865	5.744
1001 to 2000	133	4.261	219970	5.357
2001 to 3000	48	1.538	125337	3.052
3001 to 4000	25	0.801	93067	2.267
4001 to 5000	26	0.833	124459	3.031
5001 to 10000	52	1.666	397155	9.672
10001 and above	55	1.762	2310126	56.261
TOTAL	3121	100.00	4106100	100.00

12. CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH 2015.

Category	No. of Share held	% of Shareholding
Indian Promoters	871680	21.23
Mutual Funds	-	-
Bank, Financial Institute	-	-
Private Corporate Bodies	256618	6.25
NRI/OBCs	70286	1.71
FIIIs	-	-
Indian Public	2907516	70.81
C.M	-	-
TOTAL	4106100	100

13. SHARE TRANSFER SYSTEM

The Company has appointed the below mentioned agency as Registrar and Share Transfer Agent (RTA) for both physical and Demat segment of equity shares of the Company.

SHAREPRO SERVICES (INDIA) PVT. LTD.

416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad – 380006

Tel No. 079-26582381/82/83/84 Fax No. 079-26582385 Email: sharepro.ahmedabad@shareproservices.com

14. DEMATERIALISATION OF SHARES

The company has entered into Agreement with NSDL/CDSL for Dematerialization of Shares. Those Shareholders who wish to hold shares in electronic form may approach their Depository Participant. As on **31st March, 2015**, a total of **3188860** Shares of the Company which is 77.66% of the share Capital of the Company stands dematerialized.

The ISIN No. of the Company is INE442C01012

15. REGISTERED OFFICE LOCATION:

The Registered Office of the Company is located at;

108-B/109, Sampada Building, B/h A.K. Patel House, Mithakhali six Roads, Navrangpura, Ahmedabad:-380009.

16. ADDRESS FOR CORRESPONDENCE

For both Physical and Electronic Form:

SHAREPRO SERVICES (INDIA) PVT LTD.

416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad-380006.

Tel Nos.079 26582381/82/83/ 84 Fax No. 079 26582385 *Email Id:* - sharepro.ahmedabad@shareproservices.com

For any assistance regarding correspondence dematerialization of shares, share transfers, transactions, change of address, non-receipt of dividend or any other query, relation to shares,

Registered Office : 108-B/109, Sampada Building, B/h A.K. Patel House, Mithakhali six Roads, Navrangpura, Ahmedabad:-380009.

Telephone Nos. : (079) 2644 0404 Fax No. : (079) 2642 2081 E-mail : charmsltd@yahoo.com

Compliance Officer : Mr. Shivkumar R. Chauhan

For and on behalf of the Board

Shivkumar R. Chauhan

Managing Director

(DIN: 00841729)

Place : Ahmedabad

Date : 14/08/2015

Declaration regarding affirmation of Code of Conduct

I, Shivkumar R. Chauhan, Managing Director of Charms Industries Limited hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct laid down by the Company.

For and on behalf of the Board

Shivkumar R. Chauhan

Managing Director

(DIN: 00841729)

Place : Ahmedabad

Date : 14/08/2015

CORPORATE GOVERNANCE CERTIFICATE

To,
The Members
CHARMS INDUSTRIES LIMITED
Ahmedabad

We have examined the compliance of conditions of corporate governance by **CHARMS INDUSTRIES LIMITED** for the year ended on **31st March, 2015**, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of condition of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us the representations made by the Directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of Listing Agreement.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

For, **Praful N Shah & Co.**
Chartered Accountants

Praful N. Shah
(Proprietor)
M. No. :-15591
F.R.N.-108057W

Date : 14/08/2015

CEO/CFO CERTIFICATION

We, **Mr. Shivkumar R. Chauhan**, Managing Director and **Mr. Biren J. Thaker**, Chief Financial Officer of **Charms Industries Limited** certify to the Board that:

- A. We have reviewed the financial statements for the year ended **March 31, 2015** and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - ii. These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, which we were aware and the steps have been taken to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
 - (i) that there were no significant changes in internal control over financial reporting during the year;
 - (ii) there were no significant changes in accounting policies during the year; and
 - (iii) We are not aware of any instance of significant fraud and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Ahmedabad
Date : 14/08/2015

Biren j. Thaker
Chief Financial officer

Shivkumar R. Chauhan
Managing Director
(DIN: 00841729)

INDEPENDENT AUDITOR'S REPORT

To the Members of
CHARMS INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of CHARMS INDUSTRIES LTD ("the Company"), which comprise the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Director is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("The Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 responsible and prudent the design, implementation and maintenance of adequate internal financial controls, that we were operating effectively for ensuring the accuracy and completeness of 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provision of the Act, the accounting and auditing standards and matter which are required to be included in the audit report under the provision of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. But not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Companies Director, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- c) in case of the cash flow statement, of the cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, 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 purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet and Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
 - f) with respect to the other matters to be included in the Auditors Report in accordance with rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us :
 - i. The company has disclosed the impact, if any, of pending litigation on its financial position in its financial statement
 - ii. The company has made provision, as required under any law or accounting standard, for material foreseeable losses, if any, on long term contracts including derivatives contracts,
 - iii. There has been no delays in transferring amount, required to be transfer , to the Investor Education, and Protection Fund by the company

For Praful N. Shah & Co.
Chartered Accountants
FRN: 108057W

Place : AHMEDABAD
Date : 28-05-2015

(P. N. Shah)
(Proprietor)
Mem. No. 015591

ANNEXURE OF THE INDEPENDENT AUDITORS REPORT

The annexure referred to in our Independent Auditor's Report to the member of the Company on the standalone financial statement for the year ended 31st March, 2015 we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, the fixed assets have been physically verified by the management in accordance with the programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. As informed to us material discrepancies have been noticed on such verification.;
- (ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals
- (b) The Procedures of the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanation given to us, the company has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provision of clause 3(iii) of the Order are not applicable to the company.
- (iv) In our opinion and According to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventories and fixed assets and with regards to the sale of good. The company is engaged in the business of Foreign Exchange conversion under the terms of license issued by the Reserve bank of India. During the course of audit, we have not observed any major weaknesses in such internal control system.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the during the year.
- (vi) The central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the companies Act,2013 for any of the products manufactured by the company.
- (vii) According to information and explanation given to us and on the basis of examination of the records of the company, amount deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax ,wealth tax ,service tax, duty of customs, duty of excise, value added tax and other cess and any other statutory dues have been generally regularly deposited with the appropriated authorities wherever applicable, there is no outstanding as at 31 march,2015 for a period of more than six months from the date they become payable.
According to information and explanation given to us and on the basis of examination of the records of the company, no amount required to transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act,1956.(1 of 1956)and rules made there under.
- (viii) The company have accumulated losses during the year, further it has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
- (ix) On the basis of our examination and according to the information and explanations, given to us, the company has not defaulted in repayment of dues to any financial institution or banks as at the balance sheet date.
- (x) In our opinion and According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution;
- (xi) In our opinion and according to the information and explanation given to us, no term loans has been availed by the company , hence purpose of question of proper utilization does not arise.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us , no fraud on or by the company has been noticed or reported during the course of our audit.

For Praful N. Shah & Co.
Chartered Accountants
FRN: 108057W

(P. N. Shah)
(Proprietor)

Mem. No. 015591

Place : AHMEDABAD
Date : 28-05-2015

BALANCE SHEET AS AT 31 MARCH, 2015

PARTICULARS	Note No.	As at 31/03/15		As at 31/03/14	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share Capital	1	41,061,000		41,061,000	
(b) Reserves and Surplus	2	(19931128)		(20191114)	
(c) Money received against share warrants					
			21,129,872		20,869,886
2. Share application money pending allotment (To the extent not refundable)					
			-		-
3. Non-current liabilities					
(a) Long-term borrowings	3	209,636		209,636	
(b) Deferred Tax liabilities (Net)		-		-	
(c) Other Long term liabilities		-		-	
(d) Long-term Provisions		-		-	
		209,636		209,636	
4. Current Liabilities					
(a) Short term borrowings		-		-	
(b) Trade payables	4	423,850		480,055	
(c) Other current liabilities	4A	0		1,260,000	
(d) Short term provisions		-		-	
			423,850		1,740,055
TOTAL		21,763,358		22,819,577	
II ASSETS					
1. Non-current assets					
(a) Fixed assets	5				
(i) Tangible assets		7214423		7387956	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	6	4,718,000		5,358,000	
(c) Deferred tax assets (net)		-		-	
(d) Long-term loans and advances		-		-	
(e) Other non-current assets		-		-	
			11,932,423		12,745,956
2. Current assets					
(a) Current investments		-		-	
(b) Inventories	7	574,985		308,364	
(c) Trade receivables	8	685,810		2,185,810	
(d) Cash and Bank Balances	9	4056670		1974064	
(e) Short-term loans and advances	10	4,513,470		5,605,383	
(f) Other current assets		-	9,830,935	-	10,073,621
TOTAL		21,763,358		22,819,577	

See accompanying notes forming part of the financial statements

In terms of our report of even date

For, **Praful N. Shah & Co.****Chartered Accountants**

(FRN : 108057W)

P. N. Shah*Proprietor*

Membership No. : 15591

Dated : 28/05/2015

Place : Ahmedabad

FOR & ON BEHALF OF THE BOARD OF DIRECTORS**Shivkumar R. Chauhan**

Managing Director

(DIN:00841729)

Harshad Gandhi

Director

(DIN:01056779)

Biren J. Thaker

Chief Financial Officer

Dated : 28/05/2015

Place : Ahmedabad

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2015

PARTICULARS	Note No.	As at 31/03/15		As at 31/03/14	
		Rs.	Rs.	Rs.	Rs.
I Revenue from operations:	11				
Sale of Products		15,620,384		23,323,478	
Sale of Services		-		-	
Other Operating Revenues		-		-	
Less: Excise Duty		-		-	
			15,620,384		23,323,478
Increase in Inventory		-	-	-	
II Other Income	12		714,019		6,464,417
III Total Revenue (I + II)			<u>16,334,403</u>		<u>29,787,895</u>
IV Expenses					
Cost of Materials Consumed		-			
Purchases of Stock in Trade		14,855,339		23,221,115	
Changes in inventories of finished goods, work in progress and Stock-in- trade	13	(266,621)		(136,490)	
Employee benefits expense	14	367,505		409,085	
Finance Costs		-		-	
Depreciation and amortization expense	5	173,533		191,614	
Other expense	15	944,661		5,594,451	
Total Expense			<u>16,074,417</u>		<u>29,279,775</u>
V Profit before exceptional and extraordinary items and tax (III-IV)			<u>259,986</u>		<u>508,120</u>
VI Exceptional Items	-				
VII Profit before extraordinary items and tax (V-VI)			<u>259,986</u>		<u>508,120</u>
VIII Extraordinary items	-				
IX Profit before tax (VII-VIII)			<u>259,986</u>		<u>508,120</u>
X Tax expense:					
(1) Current tax		-		170,000	
(2) Deferred tax		-		-	
					170,000
XI Profit/(Loss) for the period from continuing operations (IX - X)			<u>259,986</u>		<u>338,120</u>
XII Profit/(Loss) for the period from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit/(Loss) for the period (XI + XIV)			<u>259,986</u>		<u>338,120</u>
XVI Earnings per equity share:					
(1) Basic			0.06		0.08
(2) Diluted			0.06		0.08

See accompanying notes forming part of the financial statements

In terms of our report of even date

For, **Prful N. Shah & Co.****Chartered Accountants**

(FRN : 108057W)

P. N. Shah*Proprietor*

Membership No. : 15591

Dated : 28/05/2015

Place : Ahmedabad

FOR & ON BEHALF OF THE BOARD OF DIRECTORS**Shivkumar R. Chauhan**

Managing Director

(DIN:00841729)

Harshad Gandhi

Director

(DIN:01056779)

Biren J. Thaker

Chief Financial Officer

Dated : 28/05/2015

Place : Ahmedabad

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A. Cashflow From Operating Activities		
Net Profit Before Tax	259,986	338,120
Adjustments for		
Depreciation	173,533	191,614
Income Tax Provision	-	170,000
Operating Profit before Working Capital Changes	433,519	699,734
OPERATING ACTIVITIES		
Trade Payables	(56,205)	79,055
Inventory	(266,621)	(136,490)
Trade Receivables	1,500,000	-
Loans & Advances	1,091,913	(1,240,344)
Income Tax Provision of earlier years	(1,260,000)	-
Other current liabilities		
Cash Generated From operations	1,009,087	(1,297,779)
B. Cashflow from Investing activities		
Investment	640,000	945,000
Net Cash from Investing Activities	640,000	945,000
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B)	2,082,606	346,955
Opening Balance of Cash & Cash Equivalents	1,974,064	1,627,109
Closing Balance of Cash & Cash Equivalents	4,056,670	1,974,064
	2,082,606	346,955

Note:

The Statement of Cash Flow has been Prepared under the indirect method as set out in Accounting Standard-3 issued under the Companies (Accounting Standard) Rules, 2006.

In terms of our report of even date

For, **Praful N. Shah & Co.**

Chartered Accountants

(FRN : 108057W)

P. N. Shah

Proprietor

Membership No. : 15591

Dated : 28/05/2015

Place : Ahmedabad

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Shivkumar R. Chauhan

Managing Director

(DIN:00841729)

Harshad Gandhi

Director

(DIN:01056779)

Biren J. Thaker

Chief Financial Officer

Dated : 28/05/2015

Place : Ahmedabad

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2015

Particulars	As at 31/03/15		As at 31/03/14	
	Rupees	Rupees	Rupees	Rupees

NOTE '1' : SHARE CAPITAL

- Authorised				
45,00,000 Equity Shares of Rs. 10/- each [Previous Year : 45,00,000 Equity Shares of Rs.10/- each]		45,000,000		45,000,000
- Issued, Subscribed and Paid up				
* 41,06,100 Equity Shares of Rs.10/- each fully paid-up. [Previous Year : 41,06,100 Equity Shares of Rs.10/- each]		41,061,000		41,061,000
TOTAL		41,061,000		41,061,000

- Reconciliation of Shares:	Nos	Amt(Rs)	Nos	Amt(Rs)
Opening Share Capital	4,106,100	41,061,000	4,106,100	41,061,000
Add: Shares issued During the year	-	-	-	-
Add: Rights/Bonus Shares Issued	-	-	-	-
Total	4,106,100	41,061,000	4,106,100	41,061,000
Less: Buy back of Shares	-	-	-	-
Less Reduction in Capital	-	-	-	-
Closing Share Capital	4,106,100	41,061,000	4,106,100	41,061,000

List of Share holders having 5% or more Shares (In Nos)

Name Of Shareholders	In Nos	In %	In Nos	In %
1. Shivkumar R Chauhan	828540	20.18	513,584	12.51
2. Amrapali Aadya Trading & Investment Private Limited	-	-	378,349	9.21

Particulars	As at 31/03/15		As at 31/03/14	
	Rupees	Rupees	Rupees	Rupees

NOTE '2' : RESERVES AND SURPLUS

Profit and Loss Account	(23,337,643)		(23,675,763)	
Add: Profit of the year	259,986		338,120	
		(23,077,657)		(23,337,643)
Capial Reserve		3,146,529		3,146,529
TOTAL		(19,931,128)		(20,191,114)

NOTE '3' : LONG TERM BORROWINGS

- Unsecured				
- From Co-operative Bank		209636		209,636
(Subject to Confirmation/Bank Closed)				
TOTAL		209,636		209,636

CHARMS INDUSTRIES LIMITED

Particulars	As at 31/03/15		As at 31/03/14	
	Rupees	Rupees	Rupees	Rupees
NOTE '4' : TRADE PAYABLES				
Trade Payables				
For Expenses		423850		480,055
TOTAL		423850		480,055
NOTE '4A' : OTHER CURRENT LIABILITIES				
Provision of taxation		0		1,260,000
TOTAL		0		1,260,000

NOTE '5' : FIXED ASSETS

Sr. No.	Description Of assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Cost as on 01.04.2014	Addition during the year	Adj. during the year	Total cost as at 31.03.2015	Depreciation as at 01.04.2014	Addition during the year	Dep adj. at 31.3.2015	Total Depre. As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets:											
1	Air Conditioners	90,847			90,847	84,033	1,227	-	85,260	5,587	6,814
2	BUILDING	999,076	-	-	999,076	633,451	36,562	-	670,013	329,063	365,625
3	Computers And Printers	2,459,436			2,459,436	2,374,262	12,776	-	2,387,038	72,398	85,174
4	FURNITURE AND FIXTURES	890,671	-	-	890,671	826,170	6,450	-	832,620	58,051	64,501
5	VEHICLES	1,920,791	-	-	1,920,791	1,683,631	23,716	-	1,707,347	213,444	237,160
6	OFFICE EQUIPMENT	7,950			7,950	7,950	-	-	7,950	6,535,880	-
7	Office Partition	12,340			12,340	12,340	-	-	12,340	(6,535,880)	-
8	Physical Health record	7,000,000			7,000,000	371,318	92,802	-	464,120	6,535,880	6,628,682
	TOTAL RS.	13,381,111	-	-	13,381,111	5,993,155	173,533	-	6,166,688	7,214,423	7,387,956
	PREVIOUS YEAR RS.	13,381,111	-	-	13,381,111	5,439,051	192,180	-	5,631,231	7,942,062	-

Particulars	As at 31/03/15		As at 31/03/14	
	Rupees	Rupees	Rupees	Rupees
NOTE '6' : NON-CURRENT INVESTMENTS				
(All Quoted unless otherwise Specified)				
Investment (Long term) with Mutual Funds		1415000		2,055,000
In House Property		3,303,000		3,303,000
Total Non- Current Investment		4,718,000		5,358,000

NOTE '7' : INVENTORIES

Stock of Foreign Currency		574985		308,364
TOTAL		574985		308,364

CHARMS INDUSTRIES LIMITED

Particulars	As at 31/03/15		As at 31/03/14	
	Rupees	Rupees	Rupees	Rupees
NOTE '8' : TRADE RECEIVABLES				
Over Six Months				
Good		685810		2,185,810
Below Six Months				
Good				0
TOTAL		685810		2,185,810
NOTE '9' : CASH AND BANK BALANCES				
- Cash and Cash Equivalents				
Cash on Hand		448,850		463,755
Balance with Nationalized Banks				
- In Current Accounts				
		3,607,820		1,510,309
TOTAL		4,056,670		1,974,064
NOTE '10' : SHORT TERM LOANS AND ADVANCES				
Others				
Advances recoverable in cash or kind(TDS)		-		1,370,309
Loans to Companies & others		4,239,059		3,960,663
Balance with Statutory Authorities (Stock Exchange)		274,411		274,411
TOTAL		4,513,470		5,605,383
NOTE '11' : REVENUE FROM OPERATION				
Sale of Products		15,620,384		23,323,478
TOTAL		15,620,384		23,323,478
NOTE '12' : OTHER INCOME				
Interest/ Dividend/ Mis.Income		254,322		244,447
Software Job Charges		-		6,219,970
Excess Provision of Income Tax of earlier years		459,697		-
TOTAL		714,019		6,464,417

CHARMS INDUSTRIES LIMITED

Particulars	As at 31/03/15		As at 31/03/14	
	Rupees	Rupees	Rupees	Rupees
NOTE '13'				
Changes in inventories of Finished Goods				
Opening Stock		308364		171,874
Less : Closing Stock		574985		308,364
TOTAL		(266,621)		(136,490)
NOTE '14' : EMPLOYEE BENEFITS EXPENSES				
Salaries, Wages, Bonus etc.		67505		109,085
Managing Director		300000		300,000
TOTAL		367,505		409,085
NOTE '15' : OTHER EXPENSES				
To Auditors				
- As Auditors	50000		50,000	
- For other services and Accounting Services	30000		25,000	
Electricity Charges	41283		33,284	
Repairs and Maintenance	21700		34,500	
Rent,Rates and Taxes	27681		39,457	
Insurance Premium	24635		-	
Vehicles Expenses	166508		135,774	
Advertisement Exp.	25350		799	
Expenses of A.G.M	10000		9,450	
Bank Charges	10288		4,232	
Commission For Foreign Currency Bussiness	65883		141,277	
Courier & Postage Exp.	0		15,710	
Legal fees and Expenses	301081		114,905	
Office Exp.	95475		367,217	
Printing & Stationery Exp.	13829		10,652	
Telephone Exp.	42710		71,540	
Conveyance	3600		-	
Expenses Related To Softwer Job Charges	0		4,495,000	
Loss On Sale Of Investment	0		40,654	
Donation	0		5,000	
Travelling Expenses of M. D	14,638		-	
TOTAL		944,661		5,594,451

Note No. : 14 ACCOUNTING POLICIES & NOTES ON ACCOUNTS**A. Accounting Policies**

1. General :-

Accounting Policies not specifically referred to otherwise be consistent and in consonance with generally accepted accounting principles.

2. Revenue Recognition :-

Expenses and Income considered payable and receivable respectively are accounting for on accrual basis.

3. Fixed Assets :-

Fixed assets are stated at their original cost of acquisition.

4. Depreciation :-

Depreciation on Fixed Assets has been provided on WDV method, on the cost of Fixed Assets as per the rates, provided in the Companies Act, 2013.

5. Inventories :-

Inventories are valued at cost.

8. Taxes on Income:-

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

(B) Notes on Accounts

1. Sundry Creditors, Sundry Debtors, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.
2. During the year ended 31st March 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year
3. Payments to Auditors:-

Auditors Remuneration	2015	2014
Audit Fees	30,000	30,000
Tax Audit Fees	20000	20000
Certification & other services	30000	25000
Total	80000	75000

4. In earlier years, out of surplus funds, the company had advanced a sum of Rs 40,56,670/- to various parties. The said advances are not received back as per stipulations. For the recovery, the management had already initiated legal actions against some parties. Due to such reason, the interest receivables on such advances

are also not accounted in the books of accounts. The same will be accounted in the year of its receipts. Towards such advances, the management had received a sum of Rs. 2,05,000/- after the date of Balance Sheet but before the signing of accounts. Thus, all such advances are treated as good of recovery.

5. Related Party disclosure

Transactions with Related parties : NIL

6. Value of Imports

Raw Material	Nil	Nil
Finished Goods	Nil	Nil

7. Expenditure in Foreign Currency

Nil Nil

8. Earning in Foreign Exchange

Nil Nil

9. Previous year's figures have been re-arranged / re-grouped where ever necessary to make them comparable with the figures of current year.**Signature to notes 1 to 16**

In terms of our report of even date

For, **Praful N. Shah & Co.**

Chartered Accountants

(FRN : 108057W)

P. N. Shah

Proprietor

Membership No. : 15591

Dated : 28/05/2015

Place : Ahmedabad

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Shivkumar R. Chauhan

Managing Director

(DIN:00841729)

Harshad Gandhi

Director

(DIN:01056779)

Biren J. Thaker

Chief Financial Officer

Dated : 28/05/2015

Place : Ahmedabad

CHARMS INDUSTRIES LIMITED

CIN : L72900GJ1992PLC017494

Regd. Office : 108-B/109, Sampada Building, B/h. A. K. Patel House, Mithakali Six Roads, Navrangpura, Ahmedabad-09

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]

23rd Annual General Meeting – 30th day of September, 2015 at 11.30 a.m.

CIN : L72900GJ1992PLC017494

Name of the company : CHARMS INDUSTRIES LIMITED

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

Name of the Member(s) : _____

Registered Address : _____

Email : _____

DP ID : _____

Folio No. / Client ID No. : _____

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

1) Name : _____ Address : _____

_____ E-mail Id : _____

Signature: _____ Or falling him/her

2) Name : _____ Address : _____

_____ E-mail Id : _____

Signature: _____ Or falling him/her

3) Name : _____ Address : _____

_____ E-mail Id : _____

Signature: _____

[PTO]



TEAR HERE



CHARMS INDUSTRIES LIMITED

CIN : L72900GJ1992PLC017494

Regd. Office : 108-B/109, Sampada Building, B/h. A. K. Patel House, Mithakali Six Roads, Navrangpura, Ahmedabad-09

ATTENDANCE SLIP

Full name of the Member attending : _____

Name of Proxy : _____

I hereby record my presence at the Annual General Meeting being held on **Wednesday 30th September 2015 at 11.30 a.m.** at Ground Floor, Sampada Building, B/h. A.K. Patel House, Mithakhali Six Roads, Opp-Hare Krishna Complex, B/H Kiran Motors, Ahmedabad-380009

Regd. Folio No. _____

DP Id* _____

Client Id* _____

No. of Share held _____

Member's/Proxy's Signature

(To be signed at the time of handing over the slip)

* Applicable for members holding shares in dematerialised form.

Note : Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual general meeting of the company, to be held on the 30th day of September, 2015 at 11.30 a.m. at the registered office of the Company situated At Ground Floor, Sampada Building, B/h. A.K. Patel House, Mithakhali Six Roads, Opp-Hare Krishna Complex, B/H Kiran Motors, Ahmedabad-380009 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. Particulars

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 Statement of Profits & Loss and together with Cash Flow Statement and Notes forming part thereto ("Financial Statement") for the year ended on 31st March, 2015 and Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dahyabhai B. Sachania (Din: 02468095) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration
4. Appointment of Mrs. Nehal S. Chauhan (DIN: 02901331) as a Director of the Company
5. To appoint Mr. Harsad S. Gandhi (DIN: 01056779) as an Independent Director of the Company
6. To appoint Mr. Nishit M. Rupapara (DIN: 02859031) as an Independent Director of the Company

Signed this _____ day of _____ 2015

Affix Revenue Stamp

Signature of Member _____

Signature of Proxy holder(s) _____

Note: 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.

----- ✂ ----- TEAR HERE ----- ✂ -----

If undelivered
Please return to :

CHARMS INDUSTRIES LIMITED

108-B/109, Sampada Building, B/h. A. K. Patel House,
Mithakali Six Roads, Navrangpura, Ahmedabad-09