



CHARMS INDUSTRIES LIMITED

FOREX ■ MONEY TRANSFER

106-3/108, Sampada Building, Opp. Gate Ward, Mittal's SW. Road,
Newangpura, Ahmedabad-380 008 Phone : 879-2841, 2282 Telefax : 2644 040
E-mail : charms@charms.net charms@charms.net CUN: I 72955UGJ1992PLC017494

DATE: 28/08/2021

To
BSE Ltd.
Floor 25, P. J. Towers
Dalal Street,
Mumbai - 400 001

**SUB.: Notice of the 29th Annual General Meeting and Annual Report of the
Company for the financial year 2020-21
Scrip Code: 531327**

Dear Sir,

We would like to inform you that the 29th Annual General Meeting ("AGM") of the Company will be held on Monday, 27th September, 2021 at 12:00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of Annual General Meeting ("AGM") for the financial year 2020-21 which is being sent through electronic mode to the Members..

Kindly take the above information on your record.

Thanking You,

Yours faithfully,
For, **CHARMS INDUSTRIES LIMITED**

**SHIVKUMAR RAGHUNANDAN CHAUHAN
MANAGING DIRECTOR
(DIN: 00841729)**

NOTICE

NOTICE is hereby given that the **29thAnnual General Meeting of Charms Industries Limited will be held on Monday, 27th day of September, 2021 at 12.00P.M.** through video Conferencing / Other Audio-Visual Means to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2021 and the Reports of the Board of Directors and Auditors thereon.**
- 2. To appoint Director in place of Mr. Nehal Chauhan (DIN-02901331), who retires by rotation and being eligible, offers herself for re-appointment as a Director of the Company.**
- 3. To appoint M/s Ashit N. Shah & Co., as statutory auditor of the company**

To consider and, if thought fit, with or without modification(s), to pass the following resolution(s) as an Ordinary Resolution(s):

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, as amended from time to time, M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad (FRN.: 100624W), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 29th Annual General Meeting (AGM) till the conclusion of the 33rd Annual General Meeting of the Company to be held in the year 2024, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

RESOLVED FURTHER THAT any of the Board of Directors, be and is, hereby empowered and authorised to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E-Forms with Registrar of Companies.”

SPECIAL BUSINESS:

- 4. Reappointment of Mr. Shivkumar Chauhan (DIN: 00841729) as a Managing Director of the Company for further period of 3 (three) years.**

To consider and, if thought fit, with or without modification(s), to pass the following resolution(s) as an Ordinary Resolution(s):

“RESOLVED THAT on recommendation of Nomination and Remuneration Committee and pursuant to Section 196, 197, 188 and 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and the Articles of Association of the Company, the consent of the members

of the Company be and is hereby accorded for appointment of Mr. Shivkumar Chauhan (DIN: 00841729) as a Managing Director of the Company for further period of three (3) years with effect from 15th June, 2021, as well as the payment of salary and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement.

RESOLVED FURTHER THAT the remuneration payable to Mr. Shivkumar Chauhan (DIN: 00841729) shall not exceed the overall ceiling of the total managerial remuneration as provided under Schedule V and Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Mr. Shivkumar Chauhan as a Managing Director of the Company, the remuneration payable to him shall be in accordance with limit prescribed in section II of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto and to decide breakup of the remuneration within the above said maximum permissible limit.”

For and on behalf of the Board

Sd/-

Harsad Shantilal Gandhi

**Chairman & Director
(DIN: 01056779)**

Place: Ahmedabad

Date: 09/08/2021

NOTES:

- 1.** In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said circulars, the 28th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 16 and **17 and available at the Company's website**<http://www.charmsindustries.co.in>.
- 2. In continuation of this Ministry's General** Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.
- 3.** The helpline number regarding any query / assistance for participation in the AGM through VC/OAVM is 1800225533.
- 4.** Information regarding appointment/re-appointment of Directors and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/ or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
- 5.** Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- 6.** The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 7.** In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars, the Notice of AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2020-21 has been uploaded on the website of the Company at www.charmsindustries.co.in. The Notice can also be accessed from the website of the Stock Exchange i.e. Bombay Stock Exchange of India Limited at www.bseindia.com.
- 8.** The Register of members and share transfer books of the Company will remain closed from Monday, 20th September, 2021 to Monday, 27th September, 2021 (both days inclusive) for the purpose of Annual General Meeting.
- 9.** Members seeking any information with regard to accounts are requested to write to the Company at least 7 days before the meeting so as to enable the management to keep the information ready.

10. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialised form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
11. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual members holding shares in the physical form. The members who are desirous of availing this facility, **may kindly write to Company's R & T Agent** for nomination by quoting their folio number.
12. **The Register of Directors' and Key Managerial Personnel and their shareholding maintained under** Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
13. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
14. Process and manner for members opting for voting through Electronic means:
 - i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.
 - 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. Monday, 20th September, 2021, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of 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. Monday, 20th September, 2020 shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.

- iv. The remote e-voting will commence on Friday, 24thSeptember, 2021 at 10.00 a.m. and ends on Sunday, 26thSeptember, 2021 at 5.00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e.Monday, 20thSeptember, 2021 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL 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. 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.Monday, 20thSeptember, 2021.
- vi. The Company has appointed CS DeveshKhandelwal, Practicing Company Secretary (Membership No. FCS: 4202; COP No: 6897), to act as the Scrutiniser for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

15. Process for those shareholders whose email ids are not registered:

- a) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to charmsltd@yahoo.com
- b) Members holding shares in Demat mode: please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card)by email to charmsltd@yahoo.com

16. The instructions for shareholders for remote voting are as under:

- i. The voting period begins on Friday, 24thSeptember, 2021 at 10.00 a.m. and ends on Sunday, 26th September, 2021 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e.Monday, 20thSeptember, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting **facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.**
- iv. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

- v. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- vi. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>Users of who have opted for CDSL’s Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi/Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer/ Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers’ site directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/Easi Registration.</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN</p>

No. from a link in www.cdslindia.com home page. The

	<p>https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- vii. The shareholders should log on to the e-voting website www.evotingindia.com.
Click on Shareholders.
Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company
- viii. Next enter the Image Verification as displayed and Click on Login.
- ix. 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.
- x. If you are a first time user follow the steps given below:

	For Members holding shares in DematForm and Physical Form
PAN	<ul style="list-style-type: none"> Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- xi. After entering these details appropriately, click on "SUBMIT" tab.
- xii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the

- new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xiii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiv. Click on the EVSN of the Company – CHARMS INDUSTRIES LIMITED on which you choose to vote.
- xv. **On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting.** Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xvi. **Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.**
- xvii. **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.**
- xviii. **Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.**
- xix. **You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.**
- xx. If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xxi. **Shareholders can also cast their vote using CDSL’s mobile app m-Voting.** The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xxii. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (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 linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 5. For ease of conduct, members who would like to ask questions may send their questions in advance atleast (7) days before AGM mentioning their name, demat account number / folio number, email id, mobile number at charmsltd@yahoo.com and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
 6. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
- 20.** If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, **you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual** available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

For and on behalf of the Board

Sd/-

HarsadShantilal Gandhi

Chairman & Director

(DIN: 01056779)

Place: Ahmedabad

Date: 09/08/2021

**Details of Directors Seeking Appointment / Re-Appointment As
Required Under Regulation 36 of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations 2015**

NAME OF DIRECTORS	Mr. Nehal Shivkumar Chauhan (Din:02901331)	Mr. Shivkumar Chauhan (DIN:00841729)
Age /Date of Birth	09/05/1970	01/07/1958
Date of Appointment	06/04/2015	18/09/1993
Qualification and experience in specific functional areas	H.S.C.	B.A and having more than 25 years' of experience of management and administration
Directorship held in other companies*	NIL	NIL
Membership / chairmanships of committees in other Public companies*	NIL	NIL
Number of Shares held in the Company	31923	968540
Relationship of the Directors Inter se	Relative spouse) of Mr. Shivkumar R. Chauhan Relative (Mother) of Mr. Parth S. Chauhan	Relative spouse) of Mrs. Nehal Chauhan Relative (Father) of Mr. Parth S. Chauhan

*Pvt. Companies excluded

**For and on behalf of the Board
Sd/-**

**HarsadShantilal Gandhi
Chairman & Director
(DIN: 01056779)**

Date: 09/08/2021
Place: Ahmedabad

EXPLANATORY STATEMENT (Pursuant to Section 102 of the Companies Act, 2013)

Item No. 3

M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad were appointed by the board of directors of the company in their meeting held on 25/12/2021 due to casual vacancy caused by resignation of M/s Jigar Shah & Associates. The said appointment was later confirmed by the members of the company through postal ballot dated 25/12/2021.

M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad holds office as statutory auditor till this Annual General meeting. The Board is of view that they shall be appointed as statutory auditor of the company for the next four years in order to count one term of five consecutive years.

M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad shall hold office as statutory auditor from the conclusion of 29th Annual general meeting till the conclusion of 33rd Annual general meeting. M/s. Ashit N. Shah & Co., Chartered Accountants, Ahmedabad have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

The Board recommends passing of resolution as set out in Item No 3 of this notice. None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

Item No. 4

Looking to contribution of Mr. Shivkumar Chauhan, the Board of Directors and nomination and remuneration committee are of opinion to re-appoint Mr. Shivkumar Chauhan (DIN: 00841729) as Managing Director of the Company w.e.f. 15th June, 2021 for a period of three years, subject to approval of the shareholders. The main terms and conditions of appointment of the above Managing Director, are furnished below: -

I. PERIOD:

For a period of 3 years from 15th June, 2021.

II. SALARY:

Up to Rs. 1,00,000/- (Rupees One Lakh) per month which is eligible for revision from time to time.

III. Perquisites:

The Managing Director shall be entitled to all the perquisites listed herein below in addition to the salary mentioned above;

- i. Medical Re-imbusement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, nursing charges and domiciliary charges for self and for family.
- ii. Leave Travel Concession: For self and family every year incurred in accordance with the rules of the Company.
- iii. Club Fees: Fees of clubs, subject to a maximum of three clubs.

- iv. Personal Accident Insurance/Group Life Insurance: Premium not to exceed Rs.25000/- per annum.
- v. Provident Fund/Pension: Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961. Contribution to Pension Fund will be paid on basic salary and commission.
- vi. Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act and to the extent not taxable under the Income Tax law.
- vii. Use of Car with Driver: The Company shall provide a car with driver for business and personal use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased/ rented to, the Chairman & Managing Director for business and personal use.
- viii. Telephone facility at residence: Telephone facility shall be provided at the residence. All personal long distance calls shall be billed by the Company to the Chairman & Managing Director.

IV. DUTIES:

Subject to the superintendence, direction, and control of the Board of Directors of the Company, the Chairman & Managing Director shall be entrusted with substantial power of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.

V. TERMINATION:

Managing Director may be removed from his office for gross negligence, breach of duty or trust if a special Resolution to that effect is passed by the Company in its General Meeting. **The Managing Director may resign from his office by giving 30 days' Notice to the Company.**

VI. COMPENSATION:

In the event of termination of office of Chairman & Managing Director takes place before the expiration of tenure thereof, Managing Director of the Company shall be entitled to receive compensation from the Company for loss of office to extent and subject to limitation as provided under Section 202 of the Companies Act, 2013.

VII. OTHER TERMS AND CONDITIONS:

- a) In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.
- b) **"Family" means the spouse and dependent children of Mr. Shivkumar Chauhan.**
- c) **Leave with full pay and allowances shall be allowed as per the Company's rules.**
- d) Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.
- e) No sitting fees shall be paid to the Managing Director for attending the meetings of the Board of Directors or Committees thereof.

f) The perquisites as listed in para (III) above shall be valued as per the Income Tax Rules, 1962, as may be applicable.

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

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

1.	Nature of industry	RBI registered full-fledged Money changer		
2.	Date or expected date of commencement of commercial production	The Company is already in existence and it started its activities since 1992.		
3.	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A		
4.	Financial Performance based on given indicators	Financial Parameters	2020-21	2019-20
		Total revenue	3.75 lacs	510.00 lacs
		Net profit after tax	(28.21 lacs)	(9.75 lacs)
5.	Foreign Investments or collaborations,if any.	N.A.		

II. Information about the appointees:

Sr. no.	Particulars	Mr. Shivkumar Chauhan
1.	Background details	Mr. Shivkumar Chauhan is a graduate in Arts however he is having deep knowledge and vast experience in the field of finance. He looks after the Company's management and administration.
2.	Past Remuneration	Rs.3,00,000/- p.a.
3.	Recognition or awards	N.A
4.	Job profile and his suitability	He is having more than 25 years' experience and looking after in the field of finance, management and execution and cost analysis.
5.	Remuneration Proposed	Upto Rs.1,50,000/- (Rupees One lac Fifty thousand only)
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The prevalent levels of remuneration in industry are higher. Taking into consideration his involvement, responsibility and contribution being made by Mr. Shivkumar Chauhan,the proposed remuneration is reasonable and in line with the remuneration levels in the industry across the Country

7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	N.A
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III. Other Information:

Reason of loss or inadequate profits	The Company is striving hard to earn sufficient profits however due to current market situation and high operating expenses, the company is unable to earn adequate profits.
Steps taken or proposed to be taken for improvement	As the Company is full pledge money changer and the tourism business are badly affected due to Covid -19, the board is exploring various other option for business expansion.
Expected increase in productivity and profits in measurable terms.	N.A.

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

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

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

Regd Office:
108-B/109 Sampada Building,
Mithakhali Six Roads, Opp-Hare
Krishna Complex, B/H Kiran
Motors, Ahmedabad-38009

Date: 09/08/2021
Place: Ahmedabad

By Order of the Board of Directors
For, Charms Industries Limited

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