

PUNIT COMMERCIALS LTD

31ST ANNUAL REPORT 2015- 2016

PUNIT COMMERCIALS LTD

BOARD OF DIRECTORS

Mr. Nirav P. Mehta – Managing Director
Mr. Sujit S. Mehta – Independent Director
Mrs. Purnima P. Mehta – Director
Mrs. Fatima C. D'souza – Chief Financial Officer

REGISTERED OFFICE

AW 2022, "A" Tower,
Bharat Diamond Bourse,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051

AUDITORS

M/s. K. P. Mehta & Co.,
Chartered Accountants
A/6, Vimal Apartments, 2nd Floor,
Above Syndicate Bank, Juhu Lane,
Andheri (West), Mumbai - 400 058

BANKERS

1. Oriental Bank Of Commerce
2. Bank Of Baroda
3. State Bank Of India
4. Bank Of India
5. IndusInd Bank

REGISTRAR AND TRANSFER AGENT

Sharex Dynamic (India) Private Limited,
Unit-1, Luthra Industrial Premises,
Andheri-Kurla Road, Safed Pool,
Andheri (E), Mumbai 400 072
Tel: 2851 5606 / 2851 5644 Fax: 2851 2885
E Mail: sharexindia@vsnl.com
URL Website: www.sharexindia.com

31ST ANNUAL GENERAL MEETING

On Saturday, 16th July, 2016
At 10.00 A.M at
AW 2022, "A" Tower, Bharat Diamond Bourse, Bandra Kurla
Complex, Bandra (E), Mumbai- 400051

PUNIT COMMERCIALS LIMITED

Diamond Manufacturers, Importers & Exporters

NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of the members of **PUNIT COMMERCIALS LIMITED** will be held on Saturday, 16th July, 2016 at 10.00 A.M. at AW 2022, "A" Tower, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Nirav Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Statutory Auditors

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s K.P. Mehta & Co., Chartered Accountants, Mumbai having ICAI Firm Registration No.106243W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial year 2016-2017, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

NOTES:

1. A statement giving the relevant details of the Director seeking re-appointment under Item No. 2 of the accompanying Notice, as required by Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 is annexed herewith.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING i.e. by 10.00 a.m. on Thursday, 14th July, 2016.

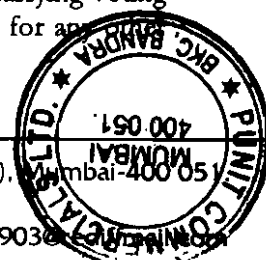
3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

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Tel.: +91 22 4210 6999 ■ Fax : +91 22 4002 1401 ■ QBC : 2362 9182

Web : www.punitcommercials.com ■ email: sakshime@punitcommercials.com / punitcommercials903@gmail.com

CIN No. L5/900MH1984PLC034880



PUNIT COMMERCIALS LIMITED

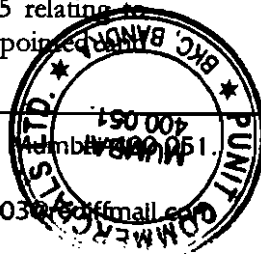
Diamond Manufacturers, Importers & Exporters

4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
6. 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 at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
8. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company shall remain closed on all days from Saturday, 09th July, 2016 to Saturday, 16th July, 2016, both days inclusive.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
10. Members desiring any relevant information on the Accounts at the Annual General Meetings are requested to write to the Company at least seven days in advance, so as to enable the company to keep the information ready. Members can also email their queries at the email address of the Compliance Officer, Mrs. Fatima D'Souza (fatimad@punitcommercials.com)
11. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Transfer Agents to facilitate better service:
 - i. Any change in their address and
 - ii. Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of the names for consolidation of such holdings into one account.
12. Members holding shares in electronic form are advised that address/bank details as furnished to the Company by the respective Depositories, viz. NSDL and CDSL will be printed on the dividend warrants. Members are requested to inform the concerned Depository Participants of any change in address, etc.
13. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit details to the Registrar and Transfer Agents of the Company, in the prescribed Form SH. 13 for this purpose.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with the Company's Registrar and Transfer Agents for receiving communication from the Company in electronic form.
15. Information required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 relating to Documents & Information to Shareholders with respect to the Directors being appointed and Directors retiring by rotation and being eligible, seeking re-appointment are as under:

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CIN No. L5/900MH1984PLC034880



PUNIT COMMERCIALS LIMITED

Diamond Manufacturers, Importers & Exporters

Particulars	Mr. Nirav Mehta
Director Identification Number(DIN)	00518614
Date of Birth	02/10/1973
Nationality	Indian
Date of Appointment	31/10/1994
Qualifications	B.Com
Shareholding in Punit Commercials Limited	49,550 shares
Expertise in specific functional areas	He is a Graduate in commerce and is in the Diamond Business for the past 10 years. He has gained knowledge in Manufacturing and Marketing of Cut & Polished Diamonds, Rough Diamonds, Studded Jewellery. He looks after the purchasing of Rough Diamonds and selling of polished diamonds in domestic market.
Directorships in other Public Limited Companies	NIL
Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	NIL

Place: Mumbai
Date: 30th May, 2016



By order of the Board
For Punit Commercials Limited

Nirav P. Mehta
Sd/-

(Nirav Mehta)
Managing Director

PUNIT COMMERCIALS LIMITED

Diamond Manufacturers, Importers & Exporters

BOARD'S REPORT

TO THE MEMBERS OF PUNIT COMMERCIALS LIMITED

The Directors take pleasure in presenting the Thirty First Annual Report together with the audited financial statements for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

Key highlights of financial results for Punit Commercials Limited for the financial year 2015-16 is tabulated below:

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
Sales	0	3,30,39,047
Other operating Income	0	11,33,866
Other non-operating Income	853,918	61,37,008
Total Income	853,918	4,03,09,921
Expenditure	18,02,167	3,88,49,176
Interest	15,03,493	12,51,223
Depreciation	1,43,690	1,06,510
Total Expenditure	34,49,350	4,02,06,909
Profit(+) Loss(-)	(25,95,432)	1,03,012
Provision for Taxation	---	---
(Add) / Less : Deferred Tax	(20,288)	(6685)
Short / (Excess) Provision of earlier Years	---	---
Net profit/(loss) after tax	(25,75,145)	1,09,698
Balance brought forward from last year	1,28,88,609	1,27,89,911
Balance carried forward to the Balance Sheet	1,03,13,465	1,28,88,609

2. HIGHLIGHTS OF PERFORMANCE

- Total income for the year decreased by 97.88% to Rs. 8,53,918/- as compared to Rs. 4,03,09,921/- in 2014-15.
- Total net sales for the year was Rs. Nil/- as compared to Rs. 3,30,39,047/- in 2014-15, a decrease of 100.00%
- Total profit before tax for the year was Rs. (25,95,432)/- as compared to Rs. 1,03,012/- in 2014-15.

3. BUSINESS OPERATIONS

The goal of the Company is to manufacture and market high quality diamond products that excite and attract consumers. The Company believes that the best way of creating value is through a fully integrated business model, benefiting from efficiency gains and better product control.

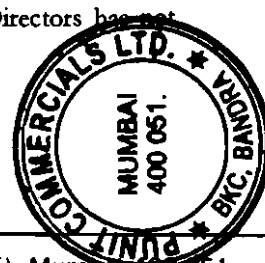
There was no change in nature of business of the Company, during the year under review.

4. DIVIDEND

With a view to deploy the profits into the existing operations of the company, Board of Directors has not recommended any dividend for the year.

5. TRANSFER TO RESERVES

The Board of Directors has not recommended transfer of any amount to reserves.



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PUNIT COMMERCIALS LIMITED

Diamond Manufacturers, Importers & Exporters

6. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was Rs. 24 Lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. There was no change in the Company's share capital during the year under review.

7. DEPOSITS

The Company has not accepted deposit from the public and shareholders falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

9. SUBSIDIARY COMPANIES

The Company has no Subsidiary Company.

10. DIRECTORS

10.1 Retirement by Rotation

Pursuant to Section 152 (6) of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Nirav Mehta, Director, retires by rotation at the forthcoming Annual General Meeting. Being eligible, he offers himself for re-appointment.

10.2 Board Evaluation

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the Board Committees, in due compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The performance evaluation of the Independent Directors was carried by the entire Board and the performance evaluation of the Chairman and Non – Independent Directors was carried out by the Independent Directors.

The Board evaluation was carried out in accordance with the criteria laid down in the Nomination and Remuneration policy of the Company.

10.3 Key Managerial Personnel

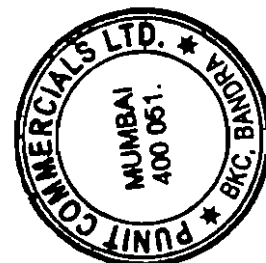
The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014 framed thereunder.

1. Mr. Nirav Mehta, Managing Director
2. Mrs. Fatima Dsouza, CFO

None of the Key Managerial Personnel have resigned during the year under review.

10.4 Remuneration Policy

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and



PUNIT COMMERCIALS LIMITED

Diamond Manufacturers, Importers & Exporters

Senior Management Employees. The detail of the same has been disclosed in the Corporate Governance Report.

10.5 Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year the Company has held 4 (Four) Board Meetings which were held on 30th May, 2015; 12th August, 2015; 7th November, 2015 and 12th February, 2016. The maximum interval between any two meetings did not exceed 120 days.

11. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

12. PLEDGE OF SHARES

None of the equity shares of the Directors of the Company are pledged with any banks or financial institutions.

13. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.



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PUNIT COMMERCIALS LIMITED

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14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

15. DISCLOSURES UNDER SECTION 134 (3) (I) OF THE COMPANIES ACT, 2013

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

16. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16:

Particulars	Number of Complaints
Number of complaints received	Nil
Number of complaints disposed off	Nil

17. COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

There are no companies which have become or ceased to be its Subsidiaries, Joint Venture or Associate Companies during the financial year 2015-16.

18. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The criteria prescribed for the applicability of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 is not applicable to the Company.

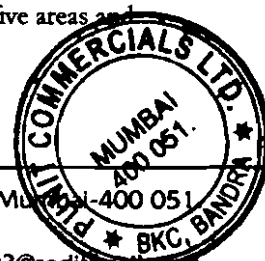
19. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The paid up share capital of the Company is Rs. 24 Lacs as on 31st March, 2016. The reserve and surplus is Rs. 105.58 Lacs. Accordingly, the paid up capital and net worth is below the prescribed limit for mandatory applicability of Corporate Governance clause. The Company has decided not to opt for compliance of Risk Management policy of Regulation 21 read with regulation 15 of SEBI Regulations for the time being due to the size of the business and the Company has not formed Risk Management Committee as it is not applicable under regulation 21 of the SEBI (LODR) Regulations, 2015.

20. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.



PUNIT COMMERCIALS LIMITED

Diamond Manufacturers, Importers & Exporters

21. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report.

22. AUDITORS

22.1 Statutory Auditors

The Company's Auditors, M/s K.P. Mehta & Co., Chartered Accountants, who retire at the forthcoming Annual General Meeting of the Company, are eligible for re-appointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of the Company. As required under regulation 33 of SEBI (LODR) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

22.2 Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s P. P. Shah & Co., Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure A".

22.3 Qualifications in Secretarial Audit Report

a) Appointment of Company Secretary:

As per section 203 (1) (ii), the Company is required to appoint Company Secretary. *The Company has not appointed Company Secretary, consequently the annual audited financial statements are not signed by Company Secretary.* In this regard the management of the Company has provided the following reply:

- (i) The Company has appointed Mrs. Fatima Dsouza, CFO as Compliance Officer of the Company who looks after the compliance of Companies Act, 2013 and SEBI Act and rules made thereunder
- (ii) The Company has availed the services of Practicing Company Secretary for advising on compliance of Companies Act, 2013 and SEBI Act and rules made thereunder
- (iii) The Volume and Scope of work for the Company Secretary is less and it is not a full time work and the job of Company Secretary is not attractive commensurate with the scope of work and salary

b) Appointment of Internal Auditor:

As per section 138 of the Companies Act, 2013, the Company is required to appoint Internal Auditor. *The Company has not appointed Internal Auditor.* In this regard the management of the Company has provided the following reply:

- i) The size of operation of the Company is very small, it is not viable to appoint Internal Auditor but the Company has established the internal control system.

c) E-Voting in Annual General Meeting:

As per rule 20 of Companies (Management and Administration) Rules, 2014, every listed company or a company having more than 1000 members must provide e-voting facility to its members while seeking their approval on resolutions proposed in the General Meeting. *The Company did not provide e-voting facility to its members in respect of resolutions passed at the 30th Annual General Meeting held on Friday, 28th August, 2015.* In this regard the Management has given the following reply:

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