

# **PUNIT COMMERCIALS LTD**

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## **32<sup>ND</sup> ANNUAL REPORT 2016 – 17**

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## ***PUNIT COMMERCIALS LTD***

### **BOARD OF DIRECTORS**

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

### **REGISTERED OFFICE**

AW 2022, "A" Tower, 2<sup>nd</sup> Floor,  
Bharat Diamond Bourse,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

### **AUDITORS**

M/s. K. P. Mehta & Co.,  
Chartered Accountants  
A/6, Vimal Apartments, 2<sup>nd</sup> 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. IndusLnd Bank
6. ICICI 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: 022 – 2851 5606 / 2851 5644 Fax: 022 – 2851 2885  
Email: investor@sharexindia.com  
Website: www.sharexindia.com

### **32<sup>ND</sup> ANNUAL GENERAL MEETING**

On Saturday, 29<sup>th</sup> July, 2017  
At 10.00 a.m. at  
AW 2022, "A" Tower, 2<sup>nd</sup> Floor, Bharat Diamond Bourse,  
Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

# **PUNIT COMMERCIALS LIMITED**

Diamond Manufacturers, Importers & Exporters

## **NOTICE**

NOTICE is hereby given that the Thirty – Second Annual General Meeting of the members of **PUNIT COMMERCIALS LIMITED** will be held on Saturday, 29<sup>th</sup> July, 2017 at 10.00 a.m. at AW 2022, "A" Tower, 2<sup>nd</sup> Floor, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2017 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Purnima Mehta (DIN No.: 00518991), who retires by rotation and being eligible, offers herself 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), and pursuant to recommendation of the Audit Committee and the Board of Directors, M/s. Diwan Gosalia & Associates, Chartered Accountants, Mumbai having ICAI Firm Registration No. 111881W, who have offered themselves for 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 appointed as Statutory Auditors of the Company in place of retiring auditor M/s. K. P. Mehta & Co., Chartered Accountants, the outgoing auditors who has completed his term as auditor pursuant to Section 139(2) of the Act at the end of conclusion of the 32<sup>nd</sup> Annual General Meeting, be appointed as auditors of the company and 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. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item No. 3 of the accompanying Notice is annexed hereto.
2. A statement giving the additional details of the Director seeking re-appointment as set out in resolution at Item No. 2 is annexed herewith as required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 on General Meeting.

3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a Member of the Company. The instrument appointing a proxy, in order to be effective, should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting i.e. by 10.00 a.m. on Thursday, 27<sup>th</sup> July, 2017. As per Secretarial Standard 2 on General Meeting, the proxy should carry a valid photo-Id card to the venue to tender vote.
4. 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.
5. 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.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
7. 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.
8. 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.
9. 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, 22<sup>nd</sup> July, 2017 to Saturday, 29<sup>th</sup> July, 2017, both days inclusive.
10. 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.
11. 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)
12. 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.

13. Members holding shares in electronic form are requested to inform the concerned Depository Participants of any change in address, etc.
14. 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.
15. 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.
16. Information required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 on General Meeting relating to Documents & Information to Shareholders with respect to the Director retiring by rotation and being eligible, seeking re-appointment are as under:

**Item No. 3:**

**Mrs. Purnima Mehta**

Mrs. Purnima Mehta was born on 10<sup>th</sup> October, 1946. She has completed her graduation in Commerce. Her experience in the Administrative Department has enabled the Company to maintain its growth. She was inducted on the Board with effect from 29<sup>th</sup> September, 1997 as a Director of the Company.

Mrs. Purnima Mehta is a member of Audit Committee and Stakeholders Relationship Committee of the Company.

She is mother of Mr. Nirav Mehta, Managing Director of the Company. She is holding 53,850 Equity Shares (22.44%) of the Company.

Mrs. Purnima Mehta is not a Director or a Member of any Committees in any other Listed Company as on 31<sup>st</sup> March, 2017.

By order of the Board  
For Punit Commercial Limited

  
Nirav Mehta  
Managing Director

Place: Mumbai  
Date: 30<sup>th</sup> May, 2017

# PUNIT COMMERCIALS LIMITED

Diamond Manufacturers, Importers & Exporters

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statements as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No. 3 of the accompanying Notice dated 30<sup>th</sup> May, 2017.

#### ITEM NO. 3 – APPOINTMENT OF STATUTORY AUDITOR

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. K. P. Mehta & Co., the present Auditors of the Company is completing their term as Auditors.

M/s. K. P. Mehta & Co., Chartered Accountants was re-appointed as Statutory Auditors of the Company for the Company's financial year 2016 – 17. They have continued in the office as Statutory Auditors of the Company for more than ten years as on 31<sup>st</sup> March, 2014. The Ministry of Corporate Affairs has implemented the new Companies Act w.e.f. 1<sup>st</sup> April, 2014. Pursuant to Section 139(2) of the Companies Act, 2013, they can continue as Statutory Auditors for further period of three years from 1<sup>st</sup> April, 2014 upto financial year 2016 – 17. Accordingly, their term as Statutory Auditors is completing on the conclusion of 32<sup>nd</sup> Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. K. P. Mehta & Co. for their association with the Company as its Auditors. The Company has to appoint new auditors in their place.

In view of the above, M/s. Diwan Gosalia & Associates, Chartered Accountants, having Firm Registration No. 111881W, have been appointed as Auditors of the Company for the Company's financial year 2017 – 18 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration plus applicable taxes, out-of-pocket expenses, etc. incurred in connection with the Audit as may be decided by the Board of Directors in consultation with the Auditors.

The Board commends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 3 of the Notice.

By order of the Board  
For Punit Commercials Limited

  
Nirav Mehta  
Managing Director

Place: Mumbai  
Date: 30<sup>th</sup> May, 2017

# 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 – Second Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL RESULTS

Key highlights of financial results for Punit Commercials Limited for the financial year 2016 – 17 is tabulated below:

(Amount in Rs.)		
Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Revenue from Operations	8,15,76,041	12,35,45,602
Other Income	(5,73,306)	(6,99,801)
<b>Total Revenue</b>	<b>8,10,02,735</b>	<b>12,28,45,801</b>
<b>Less: Expenses</b>		
Purchase of Stock – in – Trade	7,69,10,350	11,56,43,382
Changes in the inventories of finished goods Work – In – Progress and Stock – in – Trade	(17,40,914)	54,27,232
Employee Benefits Expense	10,05,660	10,05,660
Finance Costs	12,74,085	15,03,493
Depreciation and Amortization Expense	1,07,058	1,43,690
Other Expenses	18,91,352	17,17,777
<b>Total Expenses</b>	<b>7,94,47,591</b>	<b>12,54,41,233</b>
<b>Profit / Loss Before Tax</b>	<b>15,55,144</b>	<b>(25,95,432)</b>
<b>Less: Tax Expenses</b>		
Current Tax	3,05,000	0
Deferred Tax	(3,872)	(20,288)
Excess Provision of earlier years	0	0
<b>Profit / Loss After Tax</b>	<b>12,54,016</b>	<b>(25,75,145)</b>
Balance brought forward from last year	1,03,13,465	1,28,88,609
<b>Balance carried forward to the Balance Sheet</b>	<b>1,16,17,594</b>	<b>1,03,13,465</b>

### 2. HIGHLIGHTS OF PERFORMANCE

- Total income for the year decreased by 34.06% to Rs. 8,10,02,735/- as compared to Rs. 12,28,45,801/- in the financial year 2015 – 16.
- Total net sales for the year decreased by 33.97% to Rs. 8,15,76,041/- as compared to Rs. 12,35,45,602/- in the financial year 2015 – 16.
- Total profit before tax for the year was Rs. 15,55,144/- as compared to Rs. (25,95,432/-) in the financial year 2015 – 16.

**3. BUSINESS OPERATIONS**

The Company is earning non – operating revenue from advancing loan and deposits and equity investments.

**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.

**6. CAPITAL EXPENDITURE**

There was no Capital Expenditure during the year.

**7. SHARE CAPITAL**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2017 was Rs. 24 Lakhs. 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.

**8. 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.

**9. 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.

**10. SUBSIDIARY COMPANIES**

The Company has no Subsidiary Company.

**11. DIRECTORS**

**11.1 Retirement by Rotation**

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



## **11.2 Annual Board Evaluation**

According to Regulation of 25(3) of the SEBI (LODR) Regulations, 2015 and Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5<sup>th</sup> January, 2017 issued by SEBI on Guidance Note on Board Evaluation, a meeting of the Board of Directors was held on 10<sup>th</sup> February, 2017 to inter alia, evaluate the performance of the Non – Independent Directors, including the Chairman.

## **11.3 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.

## **11.4 Remuneration Policy**

The Board has in accordance with the provisions of Section 178(3) 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 Senior Management Employees. The detail of the same has been disclosed in the Corporate Governance Report.

## **11.5 Board Meetings**

A calendar of Board 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 30<sup>th</sup> May, 2016; 11<sup>th</sup> August, 2016; 12<sup>th</sup> November, 2016 and 10<sup>th</sup> February, 2017. The maximum interval between any two meetings did not exceed 120 days.

## **12. 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 31<sup>st</sup> March, 2017, 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 31<sup>st</sup> March, 2017 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.

### **13. PLEDGE OF SHARES**

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

### **14. 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 an annual 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.

### **15. 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.

### **16. 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.