

# **PUNIT COMMERCIALS LTD**

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**35<sup>TH</sup>**  
**ANNUAL REPORT**  
**2019 – 20**

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## ***PUNIT COMMERCIALS LTD***

### **BOARD OF DIRECTORS**

Mr. Nirav Mehta – Managing Director  
Mrs. Purnima Mehta – Director  
Mr. Sujit Mehta – Independent Director  
Mr. Himanshu Kothari – Independent Director\*  
Mrs. Fatima D’souza – Chief Financial Officer  
Mr. Rohit Choudhary – Company Secretary#  
\*Appointed w.e.f. 01<sup>st</sup> August, 2019  
#Appointed w.e.f. 24<sup>th</sup> January, 2020

### **REGISTERED OFFICE**

AW 2022, “A” Tower, 2<sup>nd</sup> Floor,  
Bharat Diamond Bourse,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051  
Tel: 022 4210 6999 Fax: 022 4002 1401  
Email Id: fatimad@punitcommercials.com

### **AUDITORS**

#### **Statutory Auditors:**

M/s. Diwan Gosalia & Associates,  
Chartered Accountants, Mumbai

#### **Secretarial Auditors:**

M/s. P. P. Shah & Co.  
Practicing Company Secretaries, Mumbai

### **BANKERS**

1. Oriental Bank of Commerce
2. Bank of Baroda
3. ICICI Bank

### **REGISTRAR AND TRANSFER AGENT**

#### **Sharex Dynamic (India) Private Limited,**

C-101, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai – 400 083  
Tel: 022 – 2851 5606 / 2851 5644 Fax: 022 – 2851 2885  
Email: investor@sharexindia.com  
Website: www.sharexindia.com

### **35<sup>TH</sup> ANNUAL GENERAL MEETING**

On Saturday, 31<sup>st</sup> October, 2020 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 – Fifth Annual General Meeting of the members of **PUNIT COMMERCIALS LIMITED** will be held on Saturday, 31<sup>st</sup> October, 2020 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 Annual Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Nirav Mehta (DIN No: 00518614), who retires by rotation and being eligible, offers himself for re-appointment.
3. Re-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. Diwan Gosalia & Associates, Chartered Accountants, Mumbai having ICAI Firm Registration No. 111881W, 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 at a remuneration of Rs. 30,000 plus applicable taxes and re-imbursment of out of pocket expenses incurred by them in connection with the audit of accounts of the Company and shall hold office from the conclusion of 35<sup>th</sup> Annual General Meeting until the conclusion of the 36<sup>th</sup> Annual General Meeting of the Company.”

### SPECIAL BUSINESS:

4. To appoint Mr. Himanshu Kothari (DIN: 08373194) as a Director and in this regard, 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 Section 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule IV of the Companies Act, 2013, as amended from time to time, Mr. Himanshu Kothari (DIN: 08373194), 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 Companies Act, 2013 and Regulation 16 (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term

up to the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024.”

5. To re-appoint Mr. Nirav Mehta (DIN: 00518614) as a Managing Director and in this regard, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time and such other necessary approval(s), consent(s) or permission(s), as may be required, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Nirav Mehta (DIN: 00518614) as a Managing Director of the Company for a further period of 5 (Five) years effective 14<sup>th</sup> August, 2019 on the terms and conditions and remuneration as set out in the Letter of Appointment, to be executed by the Company with Mr. Nirav Mehta, placed before the Meeting as also set out in the Explanatory Statement attached to this Notice and to alter and vary from time to time, the terms and conditions of the said appointment, subject to the overall ceiling on remuneration specified in the said Schedule V and other applicable provisions under the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof for the time being in force.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, Mr. Nirav Mehta will be paid the salary and perquisites as minimum remuneration in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 by making such compliances as provided in the said schedule.

**RESOLVED FURTHER THAT** Mr. Sujit Mehta, Director of the Company be and is hereby authorized to sign and execute such agreements, papers, letters and documents as may be necessary and required and to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution.”

6. To change the place of keeping of register of members, etc and in this regard, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 94 of the Companies Act, 2013 (the Act) and other provisions of the Act as applicable, the Company hereby approves that the Register of Members, Index of Members, share certificates and such other documents related to members be kept at the premises of Sharex Dynamic (India) Private Limited, the Company’s Registrar and Share Transfer Agents situated at C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083.”

**NOTES:**

1. The relative Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to ordinary business to be transacted for re-appointment of Statutory Auditor and special business to be transacted at the Annual General Meeting (the AGM or Meeting) is annexed hereto.

2. The address of Company's Registrar and Share Transfer Agent, M/s. Sharex Dynamics (India) Private Limited has been changed from Unit No.1, Luthra Industrial Premises, Safed Pool Andheri Kurla Road, Andheri East, Mumbai – 400 072 to C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083.
3. **In terms of provisions of Section 105 of the Companies Act, 2013, 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, 29<sup>th</sup> October, 2020. 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, 24<sup>th</sup> October, 2020 to Saturday, 31<sup>st</sup> October, 2020, both days inclusive.
10. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the business hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
11. 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's Registrar and Share Transfer Agent, M/s. Sharex Dynamics (India) Private Limited.

12. As per Regulation 40 of the SEBI (LODR) Regulations, 2015, as amended, securities of listed companies can only be transferred in demat form with effect from 01<sup>st</sup> April, 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or its Registrar and Share Transfer Agent.
13. 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 Company Secretary and Compliance Officer at [punitcommercials903@rediffmail.com](mailto:punitcommercials903@rediffmail.com).
14. Members holding shares in electronic form are requested to intimate immediately, any change in their address or bank mandates to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrar and Share Transfer Agent.
15. 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.
16. 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. Members of the Company, who have registered their e-mail ID, are entitled to receive such communications in physical form upon request.
17. In view of Covid 19 pandemic, the Ministry of Corporate Affairs vide its circular no. 17 / 2020 dated 13<sup>th</sup> April, 2020 and circular no. 20 / 2020 dated 5<sup>th</sup> May, 2020 and SEBI vide its circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 has dispensed with the requirement of sending hard copy of full annual report to the shareholders. Accordingly, the Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s). Members who have not registered their email address with the Company or the Depository Participant(s) are requested to download the copy of the Annual Report from the website of the Company i.e. [www.punitcommercials.com](http://www.punitcommercials.com) or from the website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com) or write to the Company at [fatimacliff@rediffmail.com](mailto:fatimacliff@rediffmail.com). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
18. Members may please note that SEBI has made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. Members may please note that SEBI has also made it mandatory for submission

of PAN in the following cases, viz. (i) Deletion of name of the deceased shareholder(s), (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

19. 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:

Name	Mr. Nirav Mehta	Mr. Himanshu Kothari
Director Identification Number (DIN)	00518614	08373194
Date of Birth	02/10/1973	09/02/1971
Nationality	Indian	Indian
Date of Appointment	31/10/1994	01/08/2019
Qualifications	B.Com	B.Com
Shareholding in Punit Commercial Limited	49,550 Shares	Nil
Expertise in specific functional areas	He is a Graduate in commerce and is in the Diamond Business for the past 13 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.	A very well known personality in the diamond industry. He has been trading in this industry for the past 25 years. He is doing a lot of social service in his community and where he resides in Goregaon, Mumbai.
Directorships in other Public Limited Companies	Nil	Nil
Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	Nil	Nil

20. Route Map showing directions to reach to the venue of the 35<sup>th</sup> AGM is given at the end of this Notice as per the requirement of the Secretarial Standards 2 on General Meetings.

### **PROCESS FOR MEMBERS OPTING FOR E-VOTING**

#### **Voting through electronic means**

#### **In case of members receiving e-mail:**

- (i) The voting period begins on Wednesday, 28<sup>th</sup> October, 2020 at 9.00 a.m. and ends on Friday, 30<sup>th</sup> October, 2020 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 (Record Date) of Saturday, 24<sup>th</sup> October, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now enter your User ID:
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>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.</p> <ul style="list-style-type: none"> <li>• 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 as mentioned in instruction (v).</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant '**PUNIT COMMERCIALS LIMITED**' on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. 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.**
- (xix) **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](http://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](mailto: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 emailed 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 scrutinizer to verify the same.
- (xx) 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](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com.

**Other Instructions:**

1. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
2. The voting rights of Members shall be in proportion to the shares held by them on the Paid-up Equity Share Capital of the Company as on Saturday, 24<sup>th</sup> October, 2020 and as per the Register of Members of the Company.
3. The Board of Directors has appointed Mr. Pradip Shah, Partner, failing him, Mr. Punit Shah, Partner of M/s P. P. Shah & Co., Practicing Company Secretaries as a Scrutinizer to scrutinize the voting process in a fair and transparent manner.
4. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses (not in the employment of the Company) and make out a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
5. The Chairman shall, at the General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, as provided in clauses (a) to (h) of sub-rule (1) of Rule 21 of the Companies (Management and Administration) Rules, 2014, as applicable, with the assistance of scrutinizer, by use of postal ballot or polling paper for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
6. A Member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a Member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.
7. The results shall be declared not later than 48 hours from conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the Resolutions. The results declared along with the Scrutinizer’s Report shall be displayed at the Registered Office of the Company, placed on the website of the Company at [www.punitcommercials.com](http://www.punitcommercials.com), website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) and the same shall also be communicated to BSE Limited (BSE), where the Equity Shares of the Company are listed within 48 hours from the conclusion of the AGM. Accordingly, the Scrutinizers Report will also be available on the website of BSE at [www.bseindia.com](http://www.bseindia.com).

By order of the Board  
For Punit Commercials Limited



*Nirav Mehta*

Nirav Mehta  
Managing Director  
DIN: 00518614

Place: Mumbai  
Date: 28<sup>th</sup> August, 2020

**ANNEXURE TO THE NOTICE**  
**EXPLANATORY STATEMENT**  
**PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 3 – Re-Appointment of M/s. Diwan Gosalia & Associates, Chartered Accountants as a Statutory Auditor:**

M/s. Diwan Gosalia & Associates, Chartered Accountants, Statutory Auditors of the Company were appointed at the 34<sup>th</sup> AGM held on 24<sup>th</sup> July, 2019 for the financial year 2019 – 20. The said term of Statutory Auditors will expire on the conclusion of 35<sup>th</sup> AGM. It is proposed to re-appoint them for a further period of 1 year and accordingly, they shall hold the office from the conclusion of 35<sup>th</sup> AGM till the conclusion of 36<sup>th</sup> AGM.

Pursuant to Regulation 36 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosures required for appointment / re-appointment of Auditor as a part of the explanatory statement to the notice are given below:

Sr. No.	Particulars	Disclosure
1.	Name of Firm of Auditors	M/s. Diwan Gosalia & Associates (FRN: 111881W)
2.	Name of Auditors	Mr. Hitesh Diwan (Membership No. 35079)
3.	Financial year for which appointment is proposed	2020 – 21
4.	Proposed Fees payable	30,000 plus applicable taxes and re-imburement of out of pocket expenses incurred by them in connection with the audit of accounts of the Company
5.	Terms of appointment	The statutory auditors will conduct statutory audit for the financial year 2020 – 21.
6.	In case of new auditor any material change in the fee payable to such auditor from that paid to outgoing auditor along with rationale for such change.	The Company is re-appointing the same statutory auditor. Hence this disclosure is not applicable.
7.	Basis for recommendation for appointment including the details in relation to and credentials of the statutory auditor proposed to be appointed.	The statutory auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as statutory auditors of your Company.  The statutory auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with your Company as well as declaring that they have not taken up any prohibited non-audit assignments for your Company. The Audit Committee reviews the independence of the statutory auditors and the effectiveness of the audit process.

		Recommendation has been received from the Audit Committee and Board of Directors at the meeting held on 29 <sup>th</sup> June, 2020 respectively.
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None of the Directors / Key Managerial Personnel of the Company are in any way, concerned or interested, directly or indirectly, financially or otherwise, in the Ordinary Resolution set out at Item No. 3 of the Notice, except to the extent of shareholding in the Company, if any.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 3 for your approval.

**Item No. 4 – Appointment of Mr. Himanshu Kothari as a Director:**

The Board of Directors of the Company pursuant to the recommendations of the Nomination and Remuneration Committee, has appointed Mr. Himanshu Kothari (DIN: 08373194) on 01<sup>st</sup> August, 2019, as an Additional Director (Independent and Non-Executive) on the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013, Mr. Himanshu Kothari holds office up to the date of this Annual General Meeting. The Company has received notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company.

Brief profile of Mr. Himanshu Kothari and his other directorships has been included in this notice.

The Company has received a declaration from Mr. Himanshu Kothari stating that he meets the criteria of independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Copy of the draft letter of appointment of Mr. Himanshu Kothari is available for inspection at the registered office of the Company and will also be available for inspection at the Annual General Meeting of the Company.

The Board of Directors considers it in the interest of the Company to appoint Mr. Himanshu Kothari as an Independent Director. None of the Directors / Key Managerial Personnel of the Company, except Mr. Himanshu Kothari is in any way, concerned or interested, directly or indirectly, financially or otherwise, in the Ordinary Resolution set out at Item No. 4 of the Notice, except to the extent of shareholding in the Company, if any.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 for your approval.

**Item No. 5 – Re-Appointment of Mr. Nirav Mehta as a Managing Director:**

In the 29<sup>th</sup> Annual General Meeting of the Company held on 2<sup>nd</sup> August, 2014, the members had approved to appoint Mr. Nirav Mehta as a Managing Director of the Company for a period of 5 (Five) years.

Mr. Nirav Mehta is a Graduate in commerce and is in the Diamond Business for the past 13 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.

Considering the contribution of Mr. Nirav Mehta in the overall growth and progress of the Company and also considering that his valuable guidance will be required for the Company, the Board of Directors in its meeting held on 13<sup>th</sup> August, 2019 based on the recommendation of Nomination and Remuneration Committee and subject to approval of members, have approved re-appointment of Mr. Nirav Mehta, as a Managing Director of the Company for further period of 5 years effective from 14<sup>th</sup> August, 2019 till 13<sup>th</sup> August, 2024, on the terms and conditions mentioned in 'Annexure A' which forms part of the Notice. The remuneration payable to Mr. Nirav Mehta shall be minimum remuneration as per Schedule V, Section II, Part II of the Companies Act, 2013.

The re-appointment of Mr. Nirav Mehta as a Managing Director of the Company shall require the approval of the members by way of passing of Special Resolution.

The Letter of Appointment containing terms and conditions of re-appointment of Mr. Nirav Mehta shall be open for inspection on all working days at the Registered Office of the Company, except Sundays and Public Holidays, between 11.00 a.m. and 1.00 p.m. till the date of AGM.

The details of Mr. Nirav Mehta as per requirements of Secretarial Standard ('SS-2') and Regulation 36(3) of the SEBI (LODR) Regulations 2015 are already provided at Note No. 18 of this Notice.

The same may be treated as a written memorandum setting out the terms of re-appointment of Mr. Nirav Mehta under Section 190 of the Companies Act, 2013.

Mr. Nirav Mehta and Smt. Purnima Mehta are concerned or interested in the resolution set out at Item No. 5 of the Notice. None of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, directly or indirectly, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board of Directors recommends the resolution as set out at Item No. 5 of the Notice relating to the re-appointment of Mr. Nirav Mehta as a Managing Director and payment of remuneration to him, for the approval of the members of the Company by way of Special Resolution in terms of the requirements of Section 196, 197 and 198 of the Company Act, 2013 and the Rules made thereunder.

**Item No. 6 – Change the place of keeping of register of members, etc:**

Pursuant to the provisions of Section 94 of the Companies Act, 2013 (the Act) certain documents such as the Register of Members, Index of Members, Register and Index of Debenture-holders, etc. are required to be kept at the registered office of the Company. However, the said Section further provides that such registers, indexes, documents and records can be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company.

Sharex Dynamic (India) Private Limited, (Sharex) Registrar and Share Transfer Agent of the Company, has informed the Company about change in their registered office address from Unit No.1, Luthra Industrial Premises, Safed Pool Andheri Kurla Road, Andheri East, Mumbai – 400 072 to C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083.

Sharex being the Company's Registrar and Share Transfer Agent of the Company maintains the Register of Members, Index of Members, share certificates and such other documents related to members of the Company at its registered office. Owing to change in the address of the registered office of Sharex, the place of keeping the register of members and other documents will also change.

In view of change in the place of keeping the Register of Members, Index of Members, share certificates and such other documents related to members of the Company, it is necessary to seek approval of the Members.

Members' approval, by way of a Special Resolution, is sought pursuant to Section 94 of the Act for keeping the aforementioned registers, documents, etc at Sharex premises as stated in the resolution.

None of the Directors is concerned with or interested in the said Resolution.

By order of the Board  
For Punit Commercials Limited



Nirav Mehta  
Managing Director  
DIN: 00518614

Place: Mumbai  
Date: 28<sup>th</sup> August, 2020

# PUNIT COMMERCIALS LIMITED

Diamond Manufacturers, Importers & Exporters

## “Annexure A”

The terms and conditions of the re-appointment of Mr. Nirav Mehta, Managing Director are as follows:

The terms and conditions of his re-appointment are given below:

Name of Director	Designation	Responsibility
Mr. Nirav Mehta	Managing Director	Overall Management and Administration of the Company

As per the Part II Section II (B) (iv) of Schedule V, the Company is required to furnish the following information in the Explanatory Statement:

### I. GENERAL INFORMATION:

Sr. No.	Particulars	Information	
1.	Nature of Industry	Trading in Diamond and Investment	
2.	Date or expected date of commencement of Commercial Production	Presently, the Company is in investment activities.	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
4.	Financial performance based on given indications.	<b>31-3-2020</b>	<b>31-3-2019</b>
	Sales (Net of Excise)	6,97,30,698	5,56,74,427
	Net Profit before Tax	3,47,316	14,907
	Net Profit After Tax	2,45,797	14,926
5.	Foreign investments or collaborators, if any	Not Applicable	

### II. INFORMATION ABOUT THE APPOINTEE:

Sr. No.	Particulars	Information
1.	Background Details	Mr. Nirav Mehta is a Commerce Graduate and vast experience in Diamond Industries.
2.	Past Remuneration	Mr. Nirav Mehta: Upto Rs. 1 Lakh per month
3.	Recognition or Awards	Nil
4.	Job Profile and His Suitability	Mr, Nirav Mehta: Managing the Company since last 25 years.
5.	Remuneration proposed	Mr. Nirav Mehta: Upto Rs.1,00,000/- per month including perquisites if any.
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	The size of the Company is small. The Comparative Data is not available.

Registered Office : AW 2022, 'A' Tower, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (E), Mumbai-400 051.

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

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

CIN No. L51900MH1984PLC034880



	country of his origin)	
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Nirav Mehta, Managing Director has no pecuniary relationship with the Company except as employee of the Company as stated and holding 49,550 Equity Shares representing 20.65% in the Company and classified as Promoter of the Company.

### **III. OTHER INFORMATION:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Information</b>
1.	Reasons of loss or inadequate profits	The company has earned profits, but the profits are inadequate as per Section 197 of the Companies Act, 2013, to enable the Company to pay the remuneration to Mr. Nirav Mehta. The profits are inadequate due to fluctuation in yarn price, exchange rate, draught in the most part of the Country which affects the demand. The trade war in the World has also affected the price realization for dyed yarn.
2.	Steps taken or proposed to be taken for improvement	However, with a view to improve the workings, the Company is taking all steps for improvement in the profit.
3.	Expected increase in productivity and profits in measurable terms	The Company is expecting growth in the turnover and profit.

The remuneration and perquisites payable to Mr. Nirav Mehta are as follows:

The Company proposes to pay following remuneration and perquisites to Mr. Nirav Mehta w.e.f. 14<sup>th</sup> August, 2019.

#### **A. REMUNERATION**

<b>Name of Director</b>	<b>Designation</b>	<b>Remuneration</b>
Mr. Nirav Mehta	Managing Director	Upto Rs. 1,00,000/- per month and perquisites, if any, and shall be eligible for increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.

#### **B. INCREMENTS**

The Board of Directors shall decide the increments payable to Mr. Nirav Mehta at the end of March, every year within the overall ceiling laid down in the Schedule V so that the total remuneration by way of salary, perquisites and other allowances including increments shall not exceed the ceiling provided in Part II of Schedule V to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-

enactment(s) thereof.

### **C. PERQUISITES**

#### **NON MONETARY CEILING PERQUISITES:**

The Company's contribution to the Provident Fund and Superannuation Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the provisions of Income Tax Act.

Gratuity: One half of a month's salary for each completed year of service in accordance with the Rules of the Company

Leave Encashment: Leave salary as per the rules of the Company and Encashment of Leave shall be at the end of the tenure.

General Exemption: Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, Gratuity payable and Leave encashment at the end of the tenure shall not be included in the computation of the ceiling on Remuneration under Schedule V of the Companies Act, 2013.

### **D. MINIMUM REMUNERATION**

The above remuneration and perquisites has been fixed on the basis of inadequate profits as per the Audited Financial Statements as on 31<sup>st</sup> March, 2020 and has been fixed as provided in Part II of Section II of Schedule V to the said Act based on the Effective Capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof and shall be considered as minimum remuneration.

During the tenure of her appointment, if the Company earns profits in excess of the limits prescribed under Schedule V or if the profits are adequate in any financial year, as per the provisions of Section 196, 197, 203 and any other applicable provisions of the, Companies Act, 2013 then the remuneration of Mr. Nirav Mehta shall be paid as per the profits earned by the Company in that particular financial year.

### **E. OTHER CONDITIONS:**

- i. For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.
- ii. The Managing Director hold office as such, subject to the provisions of Section 164 and 167 of the Companies Act, 2013.

- iii. The re-appointment of Managing Director has been approved by the Nomination and Remuneration Committee of the Company.

By order of the Board  
For Punit Commercials Limited



  
Nirav Mehta  
Managing Director  
DIN: 00518614

Place: Mumbai  
Date: 28<sup>th</sup> August, 2020

# 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 – Fifth Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.

### 1. FINANCIAL RESULTS

Key highlights of Financial Results for Punit Commercials Limited for the financial year 2019 – 20 is tabulated below:

Particulars	(Amount in Rs.)	
	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
Revenue from Operations	6,97,30,698	5,56,74,427
Other Income	5,32,262	19,60,475
<b>Total Revenue</b>	<b>7,02,62,960</b>	<b>5,76,34,902</b>
<b>Less: Expenses</b>		
Purchase of Stock – in – Trade	6,85,96,281	4,63,43,498
Changes in the inventories of finished goods Work – In – Progress and Stock – in – Trade	1,59,995	96,05,376
Employee Benefits Expense	3,39,660	6,27,160
Finance Costs	25,683	2,31,642
Depreciation and Amortization Expense	0	1,032
Other Expenses	7,94,026	8,11,288
<b>Total Expenses</b>	<b>6,99,15,645</b>	<b>5,76,19,995</b>
<b>Profit / Loss Before Tax</b>	<b>3,47,316</b>	<b>14,907</b>
<b>Less: Tax Expenses</b>		
Current Tax	60,000	0
Deferred Tax	216	(22)
(Excess)/Short Tax Provision of earlier years	41,303	0
<b>Profit / Loss After Tax</b>	<b>2,45,797</b>	<b>14,929</b>
Balance brought forward from last year	94,91,193	94,76,265
Balance carried forward to the Balance Sheet	97,36,989	94,91,193

There was no revision in the Financial Statements.

### 2. HIGHLIGHTS OF PERFORMANCE

- Total income for the year increased by 21.91% to Rs. 7,02,62,960/- as compared to Rs. 5,76,34,902/- in the financial year 2018 – 19.
- Total profit before tax for the year was Rs. 3,47,316/- as compared to Rs. 14,907/- in the financial year 2018 – 19.

**Registered Office :** AW 2022, 'A' Tower, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (E), Mumbai-400 051.

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CIN No. L51900MH1984PLC034880

### **3. TRANSFER TO RESERVES**

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

### **4. DIVIDEND**

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

### **5. BUSINESS OPERATIONS**

Your Company is operating in share trading and trading of diamonds. Accordingly, the income from operation is trading profit / loss.

### **6. DISCLOSURES UNDER SECTION 134 (3) (I) OF THE COMPANIES ACT, 2013**

No material changes and commitments which could affect your Company's financial position have occurred between the end of the financial year of your Company i.e. 31<sup>st</sup> March, 2020 and date of this report i.e. 29<sup>th</sup> June, 2020.

### **7. SHARE CAPITAL**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2020 was Rs. 24 Lakhs. During the year under review, your Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. There was no change in your Company's share capital during the year under review. The Promoter and Promoter Group are holding 1,76,775 shares equivalent to 73.66% of the total Issued and Paid-up Share Capital.

### **8. DIRECTORS**

#### **8.1 Retirement by Rotation**

Pursuant to Section 152 (6) of the Companies Act, 2013 and in terms of the Articles of Association of your Company, Mr. Nirav Mehta (DIN: 00518614), Director, retires by rotation at the forthcoming Annual General Meeting. Being eligible, he offers himself for re-appointment.

#### **8.2 Re-Appointment of Managing Director**

Your Company has at its Board Meeting held on 13<sup>th</sup> August, 2019, re-appointed Mr. Nirav Mehta (DIN No: 00518614) as Managing Director of your Company w.e.f. 14<sup>th</sup> August, 2019. The approval from Members has been proposed at Item No. 5 of the Notice of 35<sup>th</sup> Annual General Meeting

#### **8.3 Appointment of Independent Director**

Pursuant to Section 161 (1) of the Companies Act, 2013 and Articles of Association of your Company, Mr. Himanshu Kothari (DIN: 08373194) was appointed as an Additional Director (Independent and Non Executive) of your Company at the Board Meeting held on 01<sup>st</sup>

August, 2019. In terms of provisions of Section 161 (1) of the Companies Act, 2013, Mr. Himanshu Kothari would hold office up to the date of the ensuing Annual General Meeting. Your Company has received notice in writing from member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Himanshu Kothari for the office of Director of your Company. It is proposed to appoint Mr. Himanshu Kothari as an Independent Director under Section 149 of the Act and resolution has been proposed at Item No. 4 of the Notice of 35<sup>th</sup> Annual General Meeting.

#### **8.4 Appointment and Resignation of Company Secretary**

Your Company has at its Board Meeting held on 01<sup>st</sup> August, 2019 accepted the resignation of Mrs. Fatima D'souza as Compliance Officer and appointed Ms. Jyoti Verma (ACS 49657) as Company Secretary cum Compliance Officer in place of Mrs. Fatima D'souza w.e.f. 01<sup>st</sup> August, 2019.

Ms. Jyoti Verma has resigned as Company Secretary cum Compliance Officer w.e.f. 20<sup>th</sup> January, 2020. The same was accepted by your Company w.e.f. 20<sup>th</sup> January, 2020. Your Company has appointed Mr. Rohit Choudhary as Company Secretary cum Compliance Officer w.e.f. 24<sup>th</sup> January, 2020

Your Company has intimated about the above changes to the Stock Exchange(s) where the securities of Company are listed i.e. BSE Limited. The necessary Form DIR – 12 for the above appointment and resignation has also been filed with Registrar of Companies, Mumbai.

#### **8.5 Declaration by Independent Directors**

Your Company has received declarations from all the Independent Directors of your Company confirming that they meet with the criteria of independence as prescribed both, under Sub-Section 6 of Section 149 of the Companies Act, 2013 and under Regulation 16 (1) (b) of the SEBI (LODR) Regulations, 2015 and pursuant to Regulation 25 of the said Regulations that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

Further, the Independent Directors have also submitted their declaration in compliance with the provision of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of Indian Institute of Corporate Affairs ("IICA") for a period of one year or five years or life time till they continue to hold the office of an independent director.

None of the directors of your Company are disqualified under the provisions of Section 164(2) of the Companies Act, 2013. Your directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, all the independent directors are persons of integrity and possesses relevant expertise and experience.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose. In terms of Section 150 of the Act read with Rule 6 (4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, certain Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank. Those Independent Directors who have to undertake online proficiency self-assessment test will appear for the same.

## **8.6 Annual Performance Evaluation**

The annual performance evaluation of the Independent Directors and Board Committees i.e. Audit, Stakeholders Relationship and Nomination & Remuneration Committees was carried by the entire Board and the annual performance evaluation of the Chairman, Board as a whole, Non – Independent Directors was carried out by the Independent Directors.

The annual performance evaluation was carried out in accordance with the criteria laid down by the Nomination and Remuneration Committee of your Company and as mandated under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, as amended from time to time.

## **8.7 Key Managerial Personnel**

The following persons have been designated as Key Managerial Personnel of your 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, Chief Financial Officer
3. Ms. Jyoti Verma, Company Secretary#
4. Mr. Rohit Choudhary, Company Secretary\*  
#Appointed w.e.f. 01<sup>st</sup> August, 2019 and resigned w.e.f. 20<sup>th</sup> January, 2020  
\*Appointed w.e.f. 24<sup>th</sup> January, 2020

None of the Directors have attained the age of 75 years.

## **8.8 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 Senior Management Employees. The same has been posted on the website of the Company i.e. [www.punitcommercials.com](http://www.punitcommercials.com).

## **8.9 Board Meetings**

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

During the year your Company has held 5 (Five) Board Meetings which were held on 30<sup>th</sup> May, 2019; 01<sup>st</sup> August, 2019; 13<sup>th</sup> August, 2019; 13<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020. The maximum interval between any two meetings did not exceed 120 days.

## **9. PARTICULARS OF EMPLOYEES**

During the year, there was no employee in receipt of remuneration as prescribed in the Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The prescribed particulars of Employees as required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not given since no Director is drawing any remuneration.

## **10. 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, 2020, 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 your Company as at 31<sup>st</sup> March, 2020 and of the profit of your 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 your 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.

## **11. INTERNAL CONTROL SYSTEMS**

Your Company maintains an adequate and effective Internal Control System commensurate with its size and complexity. We believe that these internal control systems provide, among other things, a reasonable assurance that transactions are executed with Management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of your Company are adequately safeguarded against significant misuse or loss.



**12. 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 2019 – 20.

**13. DEPOSITS**

Your 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.

**14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes to the Financial Statements.

**15. 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 your Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of your 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.

**16. CORPORATE SOCIAL RESPONSIBILITY**

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

**17. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is as under:

### **A. Conservation of Energy**

The operations of your Company are not energy intensive. However, wherever possible your Company strives to curtail the consumption of energy on continued basis.

### **B. Technology absorption, adaptation and innovation**

No expenditure has been incurred by your Company on research and Development activities during the year under review.

### **C. Foreign Exchange Earning & Outgo**

<b>Foreign Exchange Earnings / Outgo</b>	<b>31/03/2020</b>	<b>31/03/2019</b>
Foreign Exchange Earned	0	0
Foreign Exchange Outgo	0	0

## **18. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

The paid up share capital of your Company is Rs. 24 Lakhs as on 31<sup>st</sup> March, 2020. The Reserve and Surplus is Rs. 99.82 Lakhs. Accordingly, the paid up capital and net worth is below the prescribed limit for mandatory applicability of Corporate Governance Clause. Your Company has decided not to opt for compliance of Risk Management Policy required under Regulation 21 read with Regulation 15 of the SEBI (LODR) Regulations, 2015 for the time being due to the size of the business and your Company has not formed Risk Management Committee as it is not applicable under Regulation 21 of the SEBI (LODR) Regulations, 2015.

## **19. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. In accordance with the Regulation 22 of the SEBI (LODR) Regulations and pursuant to Section 177 (9) read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 of the Companies Act, 2013, your company has adopted a Whistle Blower Policy. Your Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. As per the Whistle Blower Policy, the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate superior. The confidentiality of those reporting / violations is maintained and they are not subjected to any discriminatory practice.

## **20. 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 your Company and its future operations.

## **21. AUDITORS**

### **21.1 Statutory Auditors**

Your Company's Statutory Auditors, M/s. Diwan Gosalia & Associates, Chartered Accountants who retire at the forthcoming Annual General Meeting of your Company are eligible for re-appointment. Necessary resolution for their re-appointment has been proposed at item no. 3 of the Notice of AGM. Necessary disclosure required to be made in terms of Regulation 36 (5) of SEBI (LODR) Regulations, 2015 have been given in the Explanatory Statement of the Notice of AGM forming part of Annual Report.

The statutory auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as statutory auditors of your Company. As required under Regulation 33 of SEBI (LODR) Regulations, 2015, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The statutory auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with your Company as well as declaring that they have not taken up any prohibited non-audit assignments for your Company. The Audit Committee reviews the independence of the statutory auditors and the effectiveness of the audit process.

### **21.2 Statutory Auditors' Observations**

The Report given by the Auditors on the financial statements of your Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### **21.3 Secretarial Audit**

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. P. P. Shah & Co., Practicing Company Secretaries as Secretarial Auditors for conducting Secretarial Audit of your Company for the financial year ended 31<sup>st</sup> March, 2020.

The report of the Secretarial Auditor is attached as "**Annexure A**". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except provided at point 21.4 below.

### **21.4 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 for the period 01<sup>st</sup> April, 2019 to 31<sup>st</sup> July, 2019. Consequently, the Annual Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2019 were not signed by Company Secretary.*

*The Company had received notices from BSE Limited imposing fine in respect of non appointment of Company Secretary for the aforesaid period.*

In this regard the management of the Company has provided the following reply:

- (i) The Company has appointed Mrs. Fatima D'souza, CFO as Compliance Officer of the Company who looks after the compliance of the Companies Act, 2013 and the SEBI Act and rules made there under;
- (ii) The Company has availed the services of Practicing Company Secretary for advising on compliance of the Companies Act, 2013 and the SEBI Act and rules made there under;
- (iii) The Company had appointed Ms. Jyoti Verma as Company Secretary from 01<sup>st</sup> August, 2019 to 20<sup>th</sup> January, 2020. Thereafter, the Company has appointed Mr. Rohit Choudhary as Company Secretary w.e.f. 24<sup>th</sup> January, 2020.

**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 accordingly, it is not viable to appoint Internal Auditor but the Company has established the internal control system.

**C. Composition of Audit Committee & Nomination and Remuneration Committee:**

The composition of Audit Committee & Nomination and Remuneration Committee is not in line with the requirements of Section 177 and 178 of the Companies Act, 2013. The same has been explained below:

**Composition of Audit Committee:**

As per Section 177 of the Companies Act, 2013, the Board of Directors of every listed company shall constitute an Audit Committee comprising of minimum three Directors with Independent Directors forming a majority. *Since the Company had only one Independent Director upto 31<sup>st</sup> July, 2019, hence its Audit Committee was not as per the requirements of Section 177 of the Companies Act, 2013 upto 31<sup>st</sup> July, 2019.*

The Company has appointed another Independent Director w.e.f. 01<sup>st</sup> August, 2019 and re-constituted its Audit Committee in compliance with the provisions of Companies Act, 2013.

**Composition of Nomination and Remuneration Committee:**

As per Section 178 of the Companies Act, 2013, the Board of Directors of every listed company shall constitute a Nomination and Remuneration Committee comprising of minimum three Non-Executive Directors of which one half shall be Independent Directors. *Since the Company had only one Independent Director and one Non-Executive Director upto 31<sup>st</sup> July, 2019, hence it's Nomination and Remuneration Committee was*

*not as per the requirements of Section 178 of the Companies Act, 2013 upto 31<sup>st</sup> July, 2019.*

The Company has appointed another Independent Director w.e.f. 01<sup>st</sup> August, 2019 and re-constituted its Nomination and Remuneration in compliance with the provisions of Companies Act, 2013.

## **22. REPORTING OF FRAUDS BY AUDITORS**

During the year under review, neither the statutory auditors nor the secretarial auditors have reported to the Audit Committee of the Board, under Section 143 (12) of the Act, any instances of fraud committed against your Company by its officers or employees, the details of which would need to be mentioned in this Report.

## **23. COMPLIANCE OF SECRETARIAL STANDARDS**

The Board of Directors affirms that your Company has complied with the applicable Secretarial Standards (SS) issued by the Institute of Companies Secretaries of India (SS1 and SS2), respectively relating to Meetings of the Board, its Committees and General Meeting, which have mandatory application during the year under review.

## **24. EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form MGT – 9 of your Company for the financial year ended 31<sup>st</sup> March, 2020 is annexed herewith as “**Annexure B**”.

## **25. HUMAN RESOURCES**

The relations of the employees of your Company have been cordial during the year. Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening your Company's Policies and Systems. Your Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources.

## **26. ENVIRONMENT AND SAFETY**

Your Company is conscious of the importance of environmentally clean and safe operations. Your Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

## **27. ENHANCING SHAREHOLDERS VALUE**

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for

growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

## **28. GREEN INITIATIVES**

Electronic copies of the Annual Report 2019 – 20 and Notice of the 35<sup>th</sup> Annual General Meeting are sent to all members whose email addresses are registered with your Company / Depository Participant(s).

For members who have not registered their email addresses, physical copies of the Annual Report were being sent under Section 101 of the Companies Act, 2013 in the permitted mode. However, in view of Covid 19 pandemic, the Ministry of Corporate Affairs vide its circular no. 17 / 2020 dated 13<sup>th</sup> April, 2020 and circular no. 20 / 2020 dated 5<sup>th</sup> May, 2020 and SEBI vide its circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 has dispensed with the requirement of sending hard copy of full annual report to the shareholders. Accordingly, Members who have not registered their email address with the Company or the Depository Participant(s) are requested to download the copy of the Annual Report from the website of the Company i.e. [www.punitcommercials.com](http://www.punitcommercials.com) or from the website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com) or write to the Company at [fatimacliff@rediffmail.com](mailto:fatimacliff@rediffmail.com). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

Your Company provides e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to the Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015.

## **29. MANAGEMENT DISCUSSION AND ANALYSIS**

Your Company is operating in the share trading business which is very common and general. The size of operation of your Company is very small. Accordingly, it is not viable to provide report on Management Discussion and Analysis. Hence, your Company has decided not to provide Management Discussion and Analysis Report for the financial year ended 31<sup>st</sup> March, 2020.

## **30. CORPORATE GOVERNANCE**

As per Regulation 15(2) of the SEBI (LODR) Regulations, 2015, the provisions of Corporate Governance are non-mandatory to the following class of Companies:

- a. Companies having Paid-up Equity Share Capital not exceeding Rs. 10 Crore and Net worth not exceeding Rs. 25 Crore, as on the last day of the previous financial year;

Provided that where the provisions of Regulation 27 becomes applicable to a company at a later date, such company shall comply with the requirements of Regulation 27 within six months from the date on which the provisions became applicable to the company.

- b. Companies whose equity share capital is listed exclusively on the SME and SME-ITP Platforms.

The Paid-up Share Capital of your Company is Rs. 24 Lakhs as on 31<sup>st</sup> March, 2020. The Reserve and Surplus is Rs. 99.82 Lakhs. Accordingly, the Paid-up Capital and Net Worth is below the prescribed limit for mandatory applicability of Corporate Governance clause as per Regulation 15(2)(a) of the SEBI (LODR) Regulations, 2015. Your Company has decided not to opt for compliance of Regulation 27 for the time being. The letter for the same has been filed with BSE on 29<sup>th</sup> June, 2020.

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

Your Company firmly believes in providing a safe, supportive and friendly workplace environment – a workplace where our values come to life through the supporting behaviours. Positive workplace environment and a great employee experience are integral part of our culture. Your Company believes in providing and ensuring a workplace free from discrimination and harassment based on gender.

Your Company educates its employees as to what may constitute sexual harassment and in the event of any occurrence of an incident constituting sexual harassment, your Company provides the mechanism to seek recourse and redressal to the concerned individual subjected to sexual harassment.

Your Company has a Sexual Harassment Prevention and Grievance Handling Policy in place to provide clarity around the process to raise such a grievance and how the grievance will be investigated and resolved. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaint was raised and pending as on 1<sup>st</sup> April, 2019 and no complaint has been raised during the financial year ended 31<sup>st</sup> March, 2020.

### **32. MD AND CFO CERTIFICATION**

Certificate from Mr. Nirav P. Mehta, Managing Director and Ms. Fatima C. D'souza, CFO, pursuant to provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year under review was placed before the Board of Directors of your Company at its meeting held on 29<sup>th</sup> June, 2020. The certificate is attached and form part of this Report.

### **33. CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE**

Mr. Pradip Shah of M/s. P. P. Shah & Co., Practicing Company Secretaries, has issued a certificate as required under the SEBI (LODR) Regulations, 2015, confirming that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory Authority. The certificate is attached and form part of this Report.

#### **34. ANNUAL SECRETARIAL COMPLIANCE REPORT**

Your Company has availed the exemption for compliance of Corporate Governance clause as per Regulation 15 (2) (a) of the SEBI (LODR) Regulations, 2015. As per Regulation 24A, your Company is required to take Annual Secretarial Compliance Report from Practicing Company Secretary which shall cover a broad check on compliance with applicable SEBI Regulations and circulars/ guidelines issued thereunder on annual basis.

Exemption as per Regulation 15 (2) (a) includes Regulation 24A. Hence, obtaining Annual Secretarial Compliance Report from Practicing Company Secretary is not applicable to your Company.

#### **35. INDIAN ACCOUNTING STANDARDS (IND-AS)**

Your Company has followed the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing its Standalone Financial Statements.

#### **36. CAPITAL EXPENDITURE**

No Capital Expenditure was incurred during the year.

#### **37. FEES PAID TO STATUTORY AUDITORS**

During the year ended 31<sup>st</sup> March, 2020, your Company has paid a sum of Rs. 30,000 to the Statutory Auditor.

#### **38. PLEDGE OF SHARES**

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

#### **39. LISTING WITH STOCK EXCHANGES**

Your Company is listed with BSE Limited and your Company has duly paid the listing fees to the Exchange.

#### **40. ACKNOWLEDGEMENTS**

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of your Company viz. members, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of your Company for their unstinted commitment and continued contribution to your Company.



**41. CAUTIONARY STATEMENT**

Statements in the Board's Report describing your Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement.



By order of the Board of Directors  
of Punit Commercials Limited

  
Nirav Mehta  
Managing Director  
DIN: 00518614

  
Sujit Mehta  
Director  
DIN: 01718827

Place: Mumbai  
Date: 29<sup>th</sup> June, 2020

**SECRETARIAL AUDIT REPORT**  
**FORM NO. MR-3**  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020  
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies*  
*(Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Punit Commercials Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Punit Commercials Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder;
2. The Securities Contracts ('Regulation') Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: **(Not Applicable to the Company during audit period).**
5. 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, 2015;
  - c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;



- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during audit period).**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008. **(Not Applicable to the Company during audit period).**
  - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agent), Regulations, 1993 regarding the Companies Act, 2013 and dealing with the clients.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations, 2009. **(Not Applicable to the Company during audit period).**
  - h) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018. **(Not Applicable to the Company during audit period).**
6. There are no other laws specifically applicable to the industry to which the Company belongs as identified by the management.

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

- 1) Secretarial Standards issued by the Institute of Company Secretaries of India i.e. Secretarial Standards – 1 for Board Meetings and Secretarial Standards – 2 for General Meetings.
- 2) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. *[except those as prescribed under Regulation 15 (2) read with Regulation 15 (3)]\**

*\*As per Regulation 15 (2) to the SEBI (LODR) Regulations, 2015, the provisions of Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V shall not apply in respect of a listed entity whose Paid-Up Equity Share Capital does not exceed Rs. 10 Crores and Net Worth does not exceed Rs. 25 Crores as on 31<sup>st</sup> March, 2019 to the extent that they are addition to the requirements specified under the Companies Act, 2013.*

*Accordingly the Company has availed the exemption provided in the above Regulations. The Company has not prepared Corporate Governance Report as a part of Annual Report. The Company has decided not to opt for compliance of Regulation 27 for the time being.*

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following qualifications/observations:

#### **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 for the period 01<sup>st</sup> April, 2019 to 31<sup>st</sup> July, 2019. Consequently the Audited Annual Financial Statements for the financial year ended 31<sup>st</sup> March, 2019 were not signed by Company Secretary.*



*The Company had received notices from BSE Limited imposing fine in respect of non appointment of Company Secretary for the aforesaid period.*

In this regard the management of the Company has provided the following reply:

- (i) The Company has appointed Mrs. Fatima D'souza, Chief Financial Officer as Compliance Officer of the Company who looks after the compliance of the Companies Act, 2013, SEBI Act, 1992 and rules and regulations made thereunder;
- (ii) The Company has availed the services of Practicing Company Secretary for advising on compliance of the Companies Act, 2013, SEBI Act, 1992 and rules and regulations made thereunder;
- (iii) The Company had appointed Ms. Jyoti Verma as Company Secretary from 01<sup>st</sup> August, 2019 to 20<sup>th</sup> January, 2020. Thereafter the Company has appointed Mr. Rohit Choudhary as Company Secretary w.e.f. 24<sup>th</sup> January, 2020.

**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. Accordingly, it is not viable to appoint Internal Auditor but the Company has established the internal control system.

**C. Composition of Audit Committee & Nomination and Remuneration Committee:**

The composition of Audit Committee & Nomination and Remuneration Committee is not in line with the requirements of Section 177 and 178 of the Companies Act, 2013. The same has been explained below:

**Composition of Audit Committee:**

As per Section 177 of the Companies Act, 2013, the Board of Directors of every listed company shall constitute an Audit Committee comprising of minimum three Directors with Independent Directors forming a majority. *Since the Company had only one Independent Director upto 31<sup>st</sup> July, 2019, hence its Audit Committee was not as per the requirements of Section 177 of the Companies Act, 2013 upto 31<sup>st</sup> July, 2019.*

The Company has appointed another Independent Director w.e.f. 1<sup>st</sup> August, 2019 and re-constituted its Audit Committee in compliance with the provisions of Companies Act, 2013.

**Composition of Nomination and Remuneration Committee:**

As per Section 178 of the Companies Act, 2013, the Board of Directors of every listed company shall constitute a Nomination and Remuneration Committee comprising of minimum three Non-Executive Directors of which one half shall be Independent Directors. *Since the Company had only one Independent Director and one Non-Executive Director upto*



31<sup>st</sup> July, 2019, hence it's Nomination and Remuneration Committee was not as per the requirements of Section 178 of the Companies Act, 2013 upto 31<sup>st</sup> July, 2019.

The Company has appointed another Independent Director w.e.f. 1<sup>st</sup> August, 2019 and re-constituted its Nomination and Remuneration in compliance with the provisions of Companies Act, 2013.

**We 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We 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.

**We further report that** during the audit period, there were no instances of:

1. Public/Right/Preferential Issue of Shares / Debentures / Sweat Equity, etc.;
2. Redemption / Buy-Back of Securities;
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013;
4. Merger / Amalgamation / Reconstruction, etc.;
5. Foreign Technical Collaborations.

Place: Mumbai  
Date: 27<sup>th</sup> June, 2020



Signature: Pradip C. Shah

Pradip Shah  
For P. P. Shah & Co.  
Practising Company Secretaries  
FCS No. 1483, C P No.: 436  
UDIN: F001483B000390333

**ANNEXURE 'B' TO BOARD'S REPORT****FORM NO. MGT – 9****EXTRACT OF ANNUAL RETURN****As on the financial year ended 31.03.2020**

*[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**

<b>CIN</b>	L51900MH1984PLC034880
<b>Registration Date</b>	22 <sup>nd</sup> December, 1984
<b>Name of the Company</b>	PUNIT COMMERCIALS LIMITED
<b>Category of the Company</b>	Company Limited by Shares
<b>Sub-Category of the Company</b>	Indian Non – Government Company
<b>Address of the Registered Office and Contact details</b>	AW 2022, 'A' Tower, 2 <sup>nd</sup> Floor, Bharat Diamond Bourse, Bandra – Kurla Complex, Bandra – E, Mumbai – 400 051 Tel: 022 – 4210 6999 Fax: 022 – 400 21401 Email: fatimad@punitcommercials.com
<b>Whether listed company</b>	Yes. Listed on BSE Limited
<b>Name, address and contact details of Registrar and Transfer Agent, if any</b>	Sharex Dynamic (India) Pvt. Ltd., C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083 Tel: 022 – 2851 5606 Fax: 022 – 2851 2885 Email: investor@sharexindia.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:

<b>Sr. No.</b>	<b>Name and Description of main Products / Services</b>	<b>NIC Code of the Product / Service</b>	<b>% to total turnover of the Company</b>
1.	Trading in Diamonds	46909	56.34%
2.	Investment	66190	43.66%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>Sr. No.</b>	<b>Name and address of the Company</b>	<b>CIN / GLN</b>	<b>Holding / Subsidiary / Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
1.	Nil	Nil	Nil	Nil	Nil

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	145225	0	145225	60.51	145225	0	145225	60.51	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	31550	0	31550	13.15	31550	0	31550	13.15	0.00
e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total(A) (1):</b>	<b>176775</b>	<b>0</b>	<b>176775</b>	<b>73.66</b>	<b>176775</b>	<b>0</b>	<b>176775</b>	<b>73.66</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub- Total (A) (2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>176775</b>	<b>0</b>	<b>176775</b>	<b>73.66</b>	<b>176775</b>	<b>0</b>	<b>176775</b>	<b>73.66</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to Rs. 2 Lakhs	63225	0	63225	26.34	52675	0	52675	21.95	(4.39)
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	0	0	0	0.00	0	0	0	0.00	0.00
<b>c) Others (specify)</b>									
i) NRI / OCBs	0	0	0	0.00	10550	0	10550	4.39	4.39
<b>Sub-Total (B)(2):</b>	<b>63225</b>	<b>0</b>	<b>63225</b>	<b>26.34</b>	<b>63225</b>	<b>0</b>	<b>63225</b>	<b>26.34</b>	<b>0.00</b>
<b>Total Public Shareholding Public Group (B)= (B)(1)+(B)(2)</b>	<b>63225</b>	<b>0</b>	<b>63225</b>	<b>26.34</b>	<b>63225</b>	<b>0</b>	<b>63225</b>	<b>26.34</b>	<b>(17.11)</b>
<b>Total (A) + (B)</b>	<b>240000</b>	<b>0</b>	<b>240000</b>	<b>100.00</b>	<b>240000</b>	<b>0</b>	<b>240000</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>240000</b>	<b>0</b>	<b>240000</b>	<b>100.00</b>	<b>240000</b>	<b>0</b>	<b>240000</b>	<b>100.00</b>	<b>0.00</b>

**ii) Shareholding of Promoters**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% change in shareholding 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.	Nirav Mehta	49,550	20.65	0.00	49,550	20.65	0.00	0.00
2.	Purnima Mehta	53,850	22.44	0.00	53,850	22.44	0.00	0.00
3.	Priya Mehta	32,330	13.47	0.00	32,330	13.47	0.00	0.00
4.	Sakshi Mehta	9,495	3.96	0.00	9,495	3.96	0.00	0.00
5.	Subir Diamonds Private Limited	31,550	13.15	0.00	31,550	13.15	0.00	0.00
	<b>Total</b>	<b>1,76,775</b>	<b>73.66</b>	<b>0.00</b>	<b>1,76,775</b>	<b>73.66</b>	<b>0.00</b>	<b>0.00</b>

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

	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (As on 31.03.2020)	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	No change during the year			
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
At the end of the year	No change during the year			

**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 (As on 01.04.2019)		Shareholding at the end of the year (As on 31.03.2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Kartik Biharilal Shah	14,200	5.92	14,200	5.92
2.	Kishore Jayantilal Dhani	11,760	4.90	11,760	4.90
3.	Ajay Jormal Mehta	10,550	4.40	10,550	4.40
4.	Mona Patel	10,000	4.17	10,000	4.17
5.	Vikas Gupta	4,500	1.88	4,500	1.88
6.	Sujit S Mehta	4,500	1.88	4,500	1.88
7.	Fatima D'Souza	3,510	1.46	3,510	1.46
8.	Kerul Kiran Parikh	3,000	1.25	3,000	1.25
9.	Devang N Kamdar	1,000	0.41	1,000	0.41
10.	Mehta Harish	200	0.07	200	0.07
11.	Rajiv Maheshwari	5	0.00	5	0.00
	<b>Total</b>	<b>63,225</b>	<b>26.34</b>	<b>63,225</b>	<b>26.34</b>



v) **Shareholding of Directors and Key Managerial Personnel**

Particulars	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (As on 31.03.2020)	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>A. DIRECTORS</b>				
At the beginning of the year	Promoter Directors Shareholding and their changes have been given in the earlier table. Mr. Sujit Mehta is holding 4,500 shares at the beginning and at the end of the year. No shares are held by Mr. Himanshu Kothari at the beginning of the year and at the end of the year.			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc)				
At the end of the year				
<b>B. KEY MANAGERIAL PERSONNEL</b>				
At the beginning of the year	Shareholding of Mrs. Fatima D'Souza and their changes have already been given in the earlier table (Top 10 Shareholders). Ms. Jyoti Verma, Company Secretary cum Compliance Officer and Mr. Rohit Choudhary, Company Secretary cum Compliance Officer do not hold any shares in the Company at the beginning of the year and at the end of the year.			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc)				
At the end of the year				

**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Amount in Rs.)
<b>Indebtedness at the beginning of the financial year (01.04.2019)</b>				
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0.00	0.00	0.00	0.00
Reduction	0.00	0.00	0.00	0.00
<b>Net Change</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Indebtedness at the end of the financial year (31.03.2020)</b>				
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sr. No.	Particulars of Remuneration	Name of the Director	Total Amount (In Rs.)
		Nirav Mehta MD	
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.00	0.00
	(b) Value of perquisites under Section 17(2) income Tax Act, 1961	0.00	0.00
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	0.00	0.00
2.	Stock Options	0.00	0.00
3.	Sweat Equity	0.00	0.00
4.	Commission		
	- as % of profit	0.00	0.00
	- others, specify	0.00	0.00
5.	Others, please specify	0.00	0.00
	<b>TOTAL (A)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Ceiling As Per The Act</b>	<b>Minimum Remuneration upto Rs. 5,00,000 per month</b>	<b>--</b>

**B. Remuneration to other Directors**

**1. Independent Directors**

Particulars of Remuneration	Sujit Mehta	Himanshu Kothari*	Total Amount (In Rs.)
- Fee for attending Board / Committee Meetings	0.00	0.00	0.00
- Commission	0.00	0.00	0.00
- Others, please specify	0.00	0.00	0.00
<b>Total (B)(1)</b>			<b>0.00</b>

\*Appointed w.e.f. 01<sup>st</sup> August, 2019

**2. Other Non Executive Directors**

Particulars of Remuneration	Purnima Mehta	Total Amount (In Rs.)
- Fee for attending Board / Committee Meetings	0.00	0.00
- Commission	0.00	0.00
- Others, please specify	0.00	0.00
<b>Total (B)(2)</b>		<b>0.00</b>
<b>Total (B)= (B)(1)+(B)(2)</b>		<b>0.00</b>
<b>Overall Ceiling as per the Act</b>		<b>Upto Rs. 1,00,000 per meeting</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (In Rs.)
		Fatima D'Souza CFO	Jyoti Verma CS#	Rohit Choudhary CS*	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,19,660	1,15,000	33,500	3,68,160
	(b) Value of perquisites under Section 17(2) income Tax Act, 1961	0.00	0.00	0.00	0.00
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	0.00	0.00	0.00	0.00
2.	Stock Options	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission	0.00	0.00	0.00	0.00
	- as % of profit	0.00	0.00	0.00	0.00
	- others, specify	0.00	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00	0.00
	<b>TOTAL (C)</b>	<b>2,19,660</b>	<b>1,15,000</b>	<b>33,500</b>	<b>3,68,160</b>

#Appointed w.e.f. 01<sup>st</sup> August, 2019 and Resigned w.e.f. 20<sup>th</sup> January, 2020

\*Appointed w.e.f. 24<sup>th</sup> January, 2020

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Sections of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

## MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

### *Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Punit Commercials Limited (“the Company”) to the best of our knowledge and belief certify that:

- A. We have reviewed Financial Statements and the Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief, we state that:
  1. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  2. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company’s Code of Conduct.
- C. We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Business Conduct as adopted by the Company.
- D. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- E. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  1. significant changes, if any, in internal control over financial reporting during the year;
  2. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the Financial Statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company’s internal control system over the financial reporting.

Yours Sincerely

**Nirav Mehta**  
**Managing Director**

**Fatima D’souza**  
**Chief Financial Officer**

**Place: Mumbai**

**Date: 29<sup>th</sup> June, 2020**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Sovereign Diamonds Limited  
11-A, Mahal Industrial Estate, Mahakali Caves Road,  
Andheri (E), Mumbai – 400 093

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sovereign Diamonds Limited having CIN L36912MH1974PLC017505 and having registered office at 11-A, Mahal Industrial Estate, Mahakali Caves Road, Andheri (E), Mumbai – 400 093 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Ajay Gehani	00062989	24/11/1984
2.	Kundapur Mohanram Pai	00007198	08/08/2005
3.	Rajesh Sitaram Arora	03605776	13/08/2011
4.	Arundhati Raju Mali	08353618	08/02/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: 1<sup>st</sup> June, 2020



Signature: Pradip C. Shah

**Pradip Shah**  
For P. P. Shah & Co.,  
Practicing Company Secretaries  
FCS No. 1483, C P No.: 436  
UDIN: F001483B000307899



**Diwan Gosalia & Associates**  
Chartered Accountants

*Kalpesh Gosalia*  
B.Com., F.C.A.  
*Hitesh Diwan*  
B.Com., F.C.A.

5, Omplaza, 1st Floor,  
V. L. Road, Kandivli (West),  
Mumbai - 400 067.  
Tel.: 2801 4932 / 2801 7292  
E-mail : dgaca2@gmail.com

## **Independent Auditors' Report**

**To the Members of**

**PUNIT COMMERCIALS LIMITED**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of PUNIT COMMERCIALS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period.

In our opinion and to the best of our information and according to the explanations given to us, we have determined that there are no key audit matters to communicate in our report.

### **Information other than the Standalone Financial Statements and Auditors Report Thereon**

The Company's management & Board of Directors are responsible for the other information. The other information comprises the Directors report to be included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's management & Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 provisions of the Act for safeguarding of 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 reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either



intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", 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 purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the 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 Indian Accounting Standards prescribed under section 133 of the Act;



- e. On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in “Annexure 2”;
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended;
- In our opinion and to the best of our information and according to the explanation given to us, no managerial remuneration has been paid or provided for the year.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note vii (c) in Annexure 1 to the report;
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any ,on the long term contracts including derivatives contracts;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

**For DIWAN GOSALIA AND ASSOCIATES**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 111881W**



**Hitesh Diwan**  
**Partner**  
**Membership Number - 035079**



Place: Mumbai

Date: **29 JUN 2020**

## **“Annexure 1” to the Independent Auditors’ Report**

**The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2020, we report that:**

- (i) In respect to Company’s Fixed Assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) All fixed assets have been physically verified by the management periodically during the year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) The Company does not own any Immovable Assets. Accordingly, provisions of paragraph 3(i)(c) of the Order in respect of Title Deeds of the Immovable Properties are not applicable to the Company and hence not commented upon.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. No material discrepancies were noticed on such verification of inventory.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loans, has not made any investments and has not given guarantees and security to which provisions of Section 185 and 186 of the Act are applicable. Accordingly, the provisions of paragraph 3(iv) of the Order are not applicable to the Company.
- (v) The company has not accepted any deposits from the public and hence the directives issued by the Reserve bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any operations of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our verification of the records of the Company, undisputed statutory dues including sales tax, income tax, custom duty, wealth tax, excise duty, cess, Goods and Service Tax and other statutory dues have been generally regularly deposited with the appropriate authority.



- (b) According to the information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31 March, 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income tax or Sales tax or Service tax or Goods & Service tax or duty of Customs or duty of Excise or Value added taxes which have not been deposited by the Company on account of disputes, except for the following.

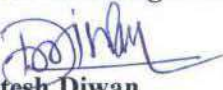
Name of Statute	Nature of Dues	Assessment Year	Amount under dispute Rupees	Amount paid under protest Rupees	Forum where dispute is pending
Income Tax	Online tax demand	A.Y. 1992-1993	22,663/-	NIL	Assessing Officer
Income Tax	Online tax demand	A.Y. 1998-1999	13,753/-	NIL	Assessing Officer
Income Tax	Online tax demand	A.Y. 2003-2004	59,774/-	NIL	Assessing Officer

- (viii) The Company does not have any loans or borrowings from any financial institution, banks and government or has not issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, no managerial remuneration has been paid or provided for the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Financial Statements as required under Indian Accounting Standards (IND AS) 24, Related party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (xiv) According to the information and explanations given to us, the Company did not make any preferential allotment or private placement of shares or debentures during the year. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company did not enter into any non-cash transactions with directors or persons connected with directors during the year. Accordingly, the paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For DIWAN GOSALIA AND ASSOCIATES**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 111881W**

  
**Hitesh Diwan**  
**Partner**  
**Membership Number - 035079**



Place: Mumbai

Date: **29 JUN 2020**

## **“Annexure 2” to the Independent Auditors’ Report**

**The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2020, we report that:**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”):**

We have audited the internal financial controls over financial reporting of PUNIT COMMERCIALS LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

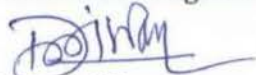
## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DIWAN GOSALIA AND ASSOCIATES**

**Chartered Accountants**

**ICAI Firm Registration Number: 111881W**



**Hitesh Diwan**

**Partner**

**Membership Number - 035079**

**Place: Mumbai**

**Date: 29 JUN 2020**



**PUNIT COMMERCIALS LIMITED**

CIN : L51900MH1984PLC034880

**BALANCE SHEET AS AT MARCH 31, 2020**


	Notes	Rupees	As at 31st March, 2020 Rupees	Rupees	As at 31st March, 2019 Rupees
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	2	100		100	
<b>Total Non Current Assets</b>			<b>100</b>		<b>100</b>
<b>Current Assets</b>					
Inventories	3	16,81,585		18,41,580	
<b>Financial Assets</b>					
Trade Receivables	4	74,26,362		14,63,188	
Cash and Cash Equivalents	5	30,14,720		71,85,294	
Current Tax Assets (Net)					
Other Current Assets	6	3,93,628		19,72,160	
<b>Total Current Assets</b>			<b>1,25,16,295</b>		<b>1,24,62,221</b>
<b>TOTAL ASSETS</b>			<b>1,25,16,395</b>		<b>1,24,62,321</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity Share Capital	7	24,00,000		24,00,000	
Other Equity	8	99,81,989		97,36,193	
<b>Total Equity</b>			<b>1,23,81,989</b>		<b>1,21,36,193</b>
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Deferred Tax Liabilities	9	(198)		(414)	
<b>Total Non-Current Liabilities</b>			<b>(198)</b>		<b>(414)</b>
<b>Current Liabilities</b>					
<b>Financial Liabilities</b>					
Trade Payables	10	-		-	
Other Financial Liabilities	11	1,34,604		3,26,543	
Provisions		-		-	
<b>Total Current Liabilities</b>			<b>1,34,604</b>		<b>3,26,543</b>
<b>Total Equity and Liabilities</b>			<b>1,25,16,395</b>		<b>1,24,62,321</b>
Summary of Significant Accounting Policies	1				
The accompanying notes are an integral part of the financial statements.	1 to 22				

As per our report of even date.

For **DIWAN GOSALIA & ASSOCIATES**

Chartered Accountants.

Firm Registration No.: 111881W

  
(HITESH DIWAN)

Partner.

Membership No.035079

Place : Mumbai

Date:

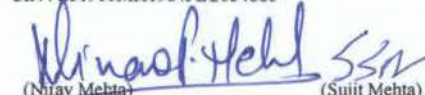
29 JUN 2020



For and on behalf of the Board of Directors

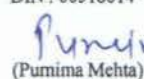
**PUNIT COMMERCIALS LIMITED**

CIN : L51900MH1984PLC034880

  
(Nirav Mehta)

DIRECTOR

DIN : 00518614

  
(Purnima Mehta)

DIRECTOR

DIN : 00518991

  
(Sujit Mehta)

DIRECTOR

DIN : 01718827

  
(Fatima D'souza)

CFO

Place : Mumbai

Date: 29 JUN 2020



**PUNIT COMMERCIALS LIMITED**

CIN : L51900MH1984PLC034880

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

	Notes	Current Year Rupees	Previous Year Rupees
<b>INCOME</b>			
Revenue from Operations	12	6,97,30,698	5,56,74,427
Other Income	13	5,32,262	19,60,475
<b>Total Revenue (I)</b>		<b>7,02,62,960</b>	<b>5,76,34,902</b>
<b>EXPENSES</b>			
<u>Cost of materials consumed</u>			
Purchases of Stock-in-Trade	14	6,85,96,281	4,63,43,498
Changes in the inventories of finished goods work-in-progress and Stock-in-Trade	15	1,59,995	96,05,376
Employee Benefits Expense	16	3,39,660	6,27,160
Depreciation and Amortisation Expense	2	-	1,032
Finance Cost	17	25,683	2,31,642
Other Expenses	18	7,94,026	8,11,287
<b>Total Expenses (II)</b>		<b>6,99,15,645</b>	<b>5,76,19,996</b>
<b>Profit / (Loss) before Tax</b>		<b>3,47,316</b>	<b>14,907</b>
<b>Tax Expense</b>			
Current Tax		60,000	-
(Excess)/Short Tax Provision of earlier years		41,303	-
Deferred Tax	9	216	(22)
<b>Profit / (Loss) for the Year</b>		<b>2,45,797</b>	<b>14,929</b>
<b>Earnings per equity share [nominal value of share Rs.10/- ]</b>			
Basic (In Rs.)		1.02	0.06
Diluted (In Rs.)		1.02	0.06
Summary of Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements.	1 to 22		
As per our report of even date.			

**For DIWAN GOSALIA & ASSOCIATES**

Chartered Accountants.

Firm Registration No.: 111881W



(HITESH DIWAN)

Partner.

Membership No.035079

Place : Mumbai

Date:

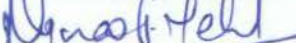
29 JUN 2020



For and on behalf of the Board of Directors

**PUNIT COMMERCIALS LIMITED**

CIN : L51900MH1984PLC034880



(Nirav Mehta)

DIRECTOR

DIN : 00518614



(Purnima Mehta)

DIRECTOR

DIN : 00518991

Place : Mumbai

Date:


29 JUN 2020



(Sujit Mehta)

DIRECTOR

DIN : 01718827



(Fatima D'souza )

CFO

**PUNIT COMMERCIALS LIMITED**

CIN : L51900MH1984PLC034880

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

<b>A Equity Share Capital</b>			
	<b>As at 31.03.2020</b>		<b>As at 31.03.2019</b>
Balance at the beginning of the reporting year	24,80,000		24,80,000
Add / Less :			
Changes in Equity Share Capital during the year	-		-
<b>Balance at the end of the reporting year.</b>	<b>24,80,000</b>		<b>24,80,000</b>
<b>B Other Equity</b>			
	<b>Reserves and Surplus</b>		<b>Total</b>
	<b>General Reserve</b>	<b>Retained Earnings</b>	
Balance at the beginning of the reporting year	2,45,000	94,91,192	97,36,192
Add / ( Less ) :			
Profit / (Loss) during the year.	-	2,45,797	2,45,797
<b>Balance at the end of the reporting year.</b>	<b>2,45,000</b>	<b>97,36,989</b>	<b>99,81,989</b>

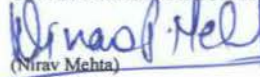
As per our report of even date.  
**For DIWAN GOSALIA & ASSOCIATES**  
 Chartered Accountants.  
 Firm Registration No.: 111881W  
  
 (HITESH DIWAN)  
 Partner.  
 Membership No.035079  
 Place : Mumbai  
 Date:



**29 JUN 2020**

For and on behalf of the Board of Directors  
**PUNIT COMMERCIALS LIMITED**

CIN : L51900MH1984PLC034880

  
 (Nirav Mehta)

**DIRECTOR**  
 DIN : 00518614

  
 (Purnima Mehta)  
**DIRECTOR**  
 DIN : 00518991

  
 (Sujit Mehta)  
**DIRECTOR**  
 DIN : 01718827

  
 (Fatima D'souza )  
**CFO**

Place : Mumbai  
 Date:

**29 JUN 2020**

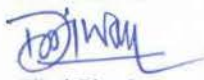
**PUNIT COMMERCIALS LIMITED**

CIN : L51900MH1984PLC034880

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

	Current Year Rupees	Previous Year Rupees
<b>A) Cash flow from operating activities</b>		
Net profit as per P&L A/C before tax & extraordinary items	3,47,316	14,907
<u>Add:</u> Non Operating Expenses/Incomes		
Depreciation	-	1,032
<u>Add:</u> Finance cost	25,683	2,31,642
<u>Less:</u> Profit on Sale of Investment	-	(16,65,752)
<u>Less:</u> Interest on FD / Interest on I.T.Refund	(5,27,762)	(2,17,333)
	(1,54,763)	(16,35,505)
<b>Adjustments for Changes in Working Capital:</b>		
Inventories	1,59,995	96,05,376
Trade Receivables	(59,63,174)	(90,382)
Other Current Assets	(22,649)	6,616
Other Payables	(1,91,939)	2,03,426
Trade Payables	-	(27,187)
Cash flow from Operating activities	(61,72,531)	80,62,344
<u>Add:</u> Income Refund	16,90,000	-
<u>Less:</u> Income Tax Paid	(1,90,122)	(2,33,645)
Net Cash flow from Operating activities	(46,72,653)	78,28,699
<b>B) Cash flow from Investment activities</b>		
Sale of Investments	-	30,58,052
Interest on FD Received / Interest on I.T.	5,27,762	2,17,333
Cash flow from Investment activities	5,27,762	32,75,385
<b>C) Cash flow from Financing activities</b>		
Loans taken / repaid	-	(49,65,803)
Interest paid	(23,706)	(2,30,079)
Bank charges	(1,978)	(1,563)
Cash flow from Financing activities	(25,683)	(51,97,445)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(41,70,574)	59,06,640
<u>Add:</u> Opening Balance of Cash & Cash Equivalents	71,85,294	12,78,654
Closing Balance of Cash & Cash Equivalents (Refer Note. 6)	30,14,720	71,85,294

As per our attached report of even date  
**FOR DIWAN GOSALIA & ASSOCIATES**  
 Chartered Accountants  
 FRN : 111811W



(Hitesh Diwan)  
 Partner  
 Membership No :- 035079  
 Place: Mumbai  
 Date :

29 JUN 2020



For and on behalf of the Board of Directors  
**PUNIT COMMERCIALS LIMITED**  
 CIN : L51900MH1984PLC034880

  
 (Nirav Mehta)  
 DIRECTOR  
 DIN : 00518614

  
 (Sujit Mehta)  
 DIRECTOR  
 DIN : 01718827

  
 (Purnima Mehta)  
 DIRECTOR  
 DIN : 00518991

  
 (Fatima D'souza)  
 CFO

Place: Mumbai  
 Date :

29 JUN 2020

## PUNIT COMMERCIALS LIMITED

CIN : L51900MH1984PLC034880

### Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A CORPORATE INFORMATION

Punit Commercials Limited("the Company") is a listed entity incorporated in India, having its registered office and principal place of business at AW - 2022, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East) Mumbai - 400 051, India.

The Company is engaged in business of Trading of diamonds and Trading and Investment in Shares, Securities and other financial instruments.

#### B SIGNIFICANT ACCOUNTING POLICIES

##### B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- (i) Certain financial assets and liabilities.
- (ii) Defined benefit plans - plan assets.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees, which is also its functional currency.

##### B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

###### a. Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided based on useful life of the assets prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

###### b. Inventories

Inventories are measured at cost. Cost is determined on "First In First Out" basis.

###### c. Impairment of Non Financial Assets - Property, Plant & Equipment and Intangible assets.

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual assets, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

###### d. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



## PUNIT COMMERCIALS LIMITED

CIN : L51900MH1984PLC034880

e. **Employee Benefits**

**Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when employees render the services.

**Post-Employment Benefits**

The Company does not have defined employee retirement policy as the employee strength does not exceed the statutory minimum requirement.

f. **Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

**Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

**Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

g. **Foreign currencies transactions and translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

h. **Earning Per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

i. **Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash and cash on deposit with bank and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash and cash equivalents.

j. **Cash Flow Statement:**

Cash Flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transaction of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Cash flows from operating, investing and financing activities of the company are segregated.

k. **Revenue recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes income from Dividends, Interest, income from trading of shares and other financial instruments and income from trading of diamonds. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Income from Investment is recognized on the terms of the agreements and when the investment/trade is made.



## PUNIT COMMERCIALS LIMITED

CIN : L51900MH1984PLC034880

### 1. Financial Instruments

#### (i) Financial Assets

##### **A. Initial recognition and measurement:**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

##### **B. Subsequent measurement**

A financial asset which is not classified in any specific categories are measured at fair valued through profit or loss.

##### **C. Investment in Associates**

The Company has accounted for its investments in associates at cost.

##### **D. Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to :

(1) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date), or

(2) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. Further the company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### C. **CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### a. **Depreciation / amortisation and useful lives of property plant and equipment.**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

#### b. **Recoverability of trade receivable.**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### c. **Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.



## PUNIT COMMERCIALS LIMITED

CIN : L51900MH1984PLC034880

**d. Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**e. Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



**PUNIT COMMERCIALS LIMITED**

CIN : L51900MH1984PLC034880

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note 2 Property, Plant and Equipment as on 31 March 2020**

Particulars	Gross Block					Accumulated Depreciation					Net Block		
	As at 1 st April,2018	Additions / (Deductions) Adjustments	As at 1 st April,2019	Additions/ (Disposals)	As at 31 st March, 2020	As at 1 st April,2018	Depreciaton for F.Y.2018-19	As at 1 st April,2019	Depreciation for the year	On disposals	As at 31 st March, 2020	As at 31 st March, 2020	As at 31 st March, 2019
	-	-	-	-	-	-	-	-	-	-	-	-	-
a Tangible Assets													
Computers	35,700	-	35,700	-	35,700	34,568	1,032	35,600	-	-	35,600	100	100
<b>Total</b>	<b>35,700</b>	<b>-</b>	<b>35,700</b>	<b>-</b>	<b>35,700</b>	<b>34,568</b>	<b>1,032</b>	<b>35,600</b>	<b>-</b>	<b>-</b>	<b>35,600</b>	<b>100</b>	<b>100</b>





## PUNIT COMMERCIALS LIMITED

CIN : L51900MH1984PLC034880

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Note 3 INVENTORIES

Particulars	As on 31st March, 2020		As on 31st March, 2019	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
<b>Quoted Shares</b>				
<b>Equity Shares / Instrument:</b>				
Astra Microwave Ltd			18,000	18,41,580
Chennai Super Kings Ltd	10,000	3,15,000		
Housing Development Finance Corporation Ltd	500	8,48,914		
Pfizer Ltd	100	4,30,671		
Unitech Ltd	25,000	87,000		
<b>Total Inventories</b>	<b>35,600</b>	<b>16,81,585</b>	<b>18,000</b>	<b>18,41,580</b>

### Note 4 TRADE RECEIVABLES

Particulars	As on 31st March, 2020	As on 31st March, 2019
	Rupees	Rupees
A. Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	74,26,362	14,63,024
		14,63,024
<u>Less: Provision for doubtful debts</u>	-	-
Sub Total (A)	74,26,362	14,63,024
B. Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	-	164
	-	164
<u>Less: Provision for doubtful debts</u>	-	-
Sub Total (B)	-	164
<b>Total Trade Receivables (A+B)</b>	<b>74,26,362</b>	<b>14,63,188</b>

### Note 5 CASH AND CASH EQUIVALENTS

Particulars	As on 31st March 2020		As on 31st March, 2019	
	Rupees	Rupees	Rupees	Rupees
A. Balances with banks				
In Current Accounts	3,54,832		3,65,312	
B. Cash on hand	2,56,744		1,26,744	
C. Flexi Deposits and interest accrued thereon	24,03,144		66,93,238	
<b>Total Cash and cash equivalents (A+B+C)</b>		<b>30,14,720</b>		<b>71,85,294</b>



## PUNIT COMMERCIALS LIMITED

CIN : L51900MH1984PLC034880

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Note 6 OTHER CURRENT ASSETS

Particulars	As on 31st March 2020		As on 31st March, 2019	
	Rupees	Rupees	Rupees	Rupees
<b>Others :</b> Unsecured, considered good To be recoverable in cash or in kind for the value to be received.		3,93,628		19,72,160
<b>Total Other Current Assets</b>		<b>3,93,628</b>		<b>19,72,160</b>

### Note 7 SHARE CAPITAL

Share Capital	March 31, 2020		March 31, 2019	
	Number	Rupees	Number	Rupees
<b>Authorised</b> Equity Shares of ` 10 each	2,50,000	25,00,000	2,50,000	25,00,000
<b>Issued, Subscribed &amp; Paid up</b> Equity Shares of ` 10 each fully paid	2,40,000	24,00,000	2,40,000	24,00,000
<b>Total</b>	<b>2,40,000</b>	<b>24,00,000</b>	<b>2,40,000</b>	<b>24,00,000</b>

#### a) Reconciliation of Shares outstanding at the Beginning & at the End of the Year.

Particulars - Equity Shares	March 31, 2020		March 31, 2019	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	2,40,000	24,00,000.00	2,40,000	24,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>2,40,000</b>	<b>24,00,000</b>	<b>2,40,000</b>	<b>24,00,000</b>

NIL Equity Shares (NIL Previous year) are held by None, the holding company.

#### b) Details of Shareholders Holding more than 5% Equity Shares in the Company

Name of Shareholder	March 31, 2020		March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Nirav Mehta	49,550	20.65%	49,550	20.65%
Purnima Mehta	53,850	22.44%	53,850	22.44%
Priya Mehta	32,330	13.47%	32,330	13.47%
Subir Diamonds P. Ltd.	31,550	13.15%	31,550	13.15%
Kartik Biharil Shah	14,200	5.92%	14,200	5.92%

#### c) Terms/Rights attached to Equity Shares

The company has only one class of shares referred to as equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

### Note 8 Other Equity

Particulars	31-Mar-20	March 31, 2019
	Rupees	Rupees
<b>a. General Reserve</b>		
Opening Balance	2,45,000	2,45,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>2,45,000</b>	<b>2,45,000</b>
<b>b. Surplus</b>		
Opening balance	94,91,192	94,76,264
(+) Net Profit/(Net Loss) For the current year	2,45,797	14,929
(+) Transfer from Reserves		-
(+) Adjustment for taxation		-
(-) Proposed Dividends		-
(-) Interim Dividends		-
(-) Transfer to Reserves		-
Closing Balance	<b>97,36,989</b>	<b>94,91,193</b>
<b>Total Reserves &amp; Surplus</b>	<b>99,81,989</b>	<b>97,36,193</b>



# PUNIT COMMERCIALS LIMITED

CIN : L51900MH1984PLC034880

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 9 DEFERRED TAX LIABILITY (NET)

Particulars	March 31, 2020	March 31, 2019
	Rupees	Rupees
<b>Deferred tax liability</b>		
Fixed Assets : Impact of Difference between tax depreciation and depreciation /	(198)	(414)
Others		
Gross deferred tax liability	(198)	(414)
<b>Deferred Tax Asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year	-	-
Others	-	-
Gross deferred tax asset	-	-
<b>Net deferred tax liability / (asset)</b>	<b>(198)</b>	<b>(414)</b>

## Note 10 TRADE PAYABLES

Particulars	March 31, 2020	March 31, 2019
	Rupees	Rupees
Trade Payables	-	-
<b>Total Trade Payables</b>	<b>-</b>	<b>-</b>

## Note 11 OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2020	March 31, 2019
	Rupees	Rupees
(a) Other payables	1,34,604	3,26,543
<b>Total Current Liabilities</b>	<b>1,34,604</b>	<b>3,26,543</b>



## PUNIT COMMERCIALS LIMITED

CIN : L51900MH1984PLC034880

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Note 12 REVENUE FROM OPERATIONS

Particulars	Current Year		Previous Year	
	Rupees	Rupees	Rupees	Rupees
<b>Revenue from Sales :</b>				
Sale of Diamonds		3,92,85,546		-
Sale of Shares	2,83,86,002		5,27,84,214	
Less: STT	(67,504)		(1,05,903)	
Less: Service and Other Charges	(2,70,943)	2,80,47,554	(6,30,789)	5,20,47,523
<b>Other Operating Revenue :</b>				
FNO Income / (Loss)	(14,96,623)		(6,36,649)	
Less: STT	(35,438)	(15,32,060)	(75,610)	(7,12,259)
Speculation Income	3,31,929		1,54,241	
Less: Service and Other Charges	(3,508)		(2,072)	
Less: STT	(1,993)	3,26,428	(1,779)	1,50,390
Income/(Loss) From Currency - Trading	20,098		19,130	
Less: Service Tax and Other Charges	(58,504)	(38,406)	(73,736)	(54,606)
Income from MCX		3,57,871		5,160
Commission Income		32,83,765		42,38,219
<b>Net Revenue From Operations</b>		<b>6,97,30,698</b>		<b>5,56,74,427</b>

### Note 13 OTHER INCOME

Particulars	Current Year	Previous Year
	Rupees	Rupees
<b>Interest Income (in case of a company other than a finance company)</b>		
Interest on Term Deposits	2,59,338	2,17,333
Interest on Income Tax Refund	2,39,450	-
Interest on Taxfree Bonds	28,974	-
Dividend Income	4,500	77,390
Profit on sale of Investment	-	16,65,752
<b>Total Other Income</b>	<b>5,32,262</b>	<b>19,60,475</b>

### Note 14 PURCHASE OF STOCK IN TRADE

Particulars	Current Year	Previous Year
	Rupees	Rupees
Purchase of Diamond	3,56,28,438	-
Purchase of Shares	3,29,67,843	4,63,43,498
<b>Total Purchases</b>	<b>6,85,96,281</b>	<b>4,63,43,498</b>

### Note 15 (INCREASE) / DECREASE IN INVENTORIES

Particulars	Current Year	Previous Year
	Rupees	Rupees
<b>Inventories at the end of the year</b>		
Shares	16,81,585	18,41,580
<b>Inventories at the beginning of the year</b>		
Shares	18,41,580	1,14,46,956
<b>Net (Increase) / Decrease in Inventories</b>	<b>1,59,995</b>	<b>96,05,376</b>



## PUNIT COMMERCIALS LIMITED

CIN : L51900MH1984PLC034880

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Note 16 EMPLOYEE BENEFIT EXPENSES

Particulars	Current Year	Previous Year
	Rupees	Rupees
(a) Salaries, Wages and bonus	3,39,660	6,27,160
<b>Total Employee Benefit Expenses</b>	<b>3,39,660</b>	<b>6,27,160</b>

### Note 17 FINANCE COST

Particulars	Current Year		Previous Year	
	Rupees	Rupees	Rupees	Rupees
<u>Interest expenses</u>				
Interest expenses	22,585		2,29,819	
Interest on Statutory Dues	1,121	23,706	260	2,30,079
<u>Other borrowing costs</u>				
Bank Charges		1,978		1,563
<b>Total Finance Cost</b>		<b>25,683</b>		<b>2,31,642</b>

### Note 18 OTHER EXPENSES

Particulars	Current Year	Previous Year
	Rupees	Rupees
Auditors' Remuneration	30,000	24,600
Advertisement	35,936	39,006
Data Processing Charges	48,000	64,000
Demat Charges	4,794	13,810
Listing Fees	3,21,785	3,05,620
Office Expense	4,724	-
Office Rent	48,000	-
Professional Fees and Legal Fees	2,73,810	3,49,233
ROC Charges	13,030	4,450
Website Expenses	8,392	10,569
Printing & Stationary	5,555	-
<b>Total Other Expenses</b>	<b>7,94,026</b>	<b>8,11,288</b>

Auditors' remuneration in accordance with paragraph 5 of part II of Schedule III to the Companies Act, 2013 is as under:

Particulars	Current Year	Previous Year
As Auditors	30,000	24,600
Other Services	-	-
	<b>30,000</b>	<b>24,600</b>

### Note 19 Earning per share is calculated as under:

Particulars	Current Year	Previous Year
<b>Basic earning per share</b>		
Net profit after Taxation	2,45,797	14,929
Number of shares issued (Nominal Value RS.10)	2,40,000	2,40,000
Basic earning per share	1.02	0.06
<b>Diluted earning per share</b>		
Net profit after Taxation	2,45,797	14,929
Number of shares issued (Nominal Value RS.10)	2,40,000	2,40,000
Diluted earning per share	1.02	0.06



## PUNIT COMMERCIALS LIMITED

CIN : L51900MH1984PLC034880

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note 20** "The Micro, Small and Medium Enterprise Development Act, 2006" has repealed the provision of interest on delayed payment to small scale and ancillary industrial undertaking Act, 1993. The management does not find it necessary to provide for interest on delayed payments to the suppliers covered by the said Act in view of insignificant amount and probability of its outgo.

**Note 21 Related Party Disclosures are given below:**

**a) Key Managerial Personnel :**

Name	Designation
Nirav Mehta	Director
Purnima Mehta	Director
Sujit Mehta	Director
Fatima D'souza	C.F.O

**Relatives of KMP or Entities in which KMP have control or significant influence :**

Priya Mehta  
Sakshi Mehta  
Siddhi Sujit Mehta  
Subir Diamonds Pvt Ltd

**b) Transactions with related Parties :**

Related Party	Relationship	Nature of transaction	Current Year	Previous Year
Nirav Mehta	Director	Unsecured Loan	-	15,57,000
Purnima Mehta	Director	Unsecured Loan	-	22,675
Purnima Mehta	Director	Rent Paid	48,000	-
Fatima D'souza	C.F.O	Salary paid	2,19,660	2,19,660

**Note 22 Previous Year Figures:**

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

As per our report of even date.

**For DIWAN GOSALIA & ASSOCIATES**

Chartered Accountants.

Firm Registration No.: 111881W

  
(HITESH DIWAN)

**Partner.**

Membership No.035079

Place : Mumbai

Date:


**29 JUN 2020**



For and on behalf of the Board of Directors


**PUNIT COMMERCIALS LIMITED**

CIN : L51900MH1984PLC034880

  
(Nirav Mehta)

**DIRECTOR**

DIN : 00518614

  
(Purnima Mehta)


**DIRECTOR**

DIN : 00518991

  
(Sujit Mehta)

**DIRECTOR**

DIN : 01718827

  
(Fatima D'souza)

**CFO**

Place : Mumbai

Date: **29 JUN 2020**

**PUNIT COMMERCIALS LIMITED**

CIN : L51900MH1984PLC034880  
GROUPINGS TO NOTE TO BALANCE SHEET

Grouping to Note No. 5  
**TRADE RECEIVABLES**

Particulars	March 31, 2020			March 31, 2019		
	More than 6 Months	Others	Total	More than 6 Months	Others	Total
Phillipcapital (I) Pvt Ltd.-Currency	-	-	-	-	-	-
Phillipcapital (I) Pvt Ltd.-(F&O)		27,99,833	27,99,833		14,60,033	14,60,033
Phillipcapital (I) Pvt Ltd.-(NSE)		13,97,867	13,97,867		266	266
Phillipcapital (I) Pvt Ltd.-(BSE)		10,92,775	10,92,775			
Phillipcapital (I) Pvt Ltd.-MP		936	936			
Phillip Capital (I) Pvt. Ltd. - MCX		6,83,532	6,83,532		1,098	1,098
Sharekhan Commodities (I) Pvt. Ltd. - MCX		0	0			
Sharekhan L:TD - FNO		3,00,328	3,00,328	164		164
Sharekhan Ltd. - Currency		1	1			
Sharekhan Ltd. - MF		1	1			
Sharekhan Ltd. - BSE/NSE		11,51,089	11,51,089		1,626	1,626
<b>Total Trade Receivables</b>	<b>-</b>	<b>74,26,362</b>	<b>74,26,362</b>	<b>164</b>	<b>14,63,024</b>	<b>14,63,188</b>

Grouping to Note No. 6  
**CASH AND CASH EQUIVALENTS**

Particulars	March 31, 2020		March 31, 2019	
	Rupees	Rupees	Rupees	Rupees
A. Balances with banks				
Bank of Baroda	25,642		45,278	
Bank of India	9,064		9,728	
ICICI Bank	1,10,920		1,10,920	
IndusInd Bank	10,001		10,001	
Oriental Bank of Commerce	1,99,205		1,89,386	
		3,54,832		3,65,312
B. Cash on hand		2,56,744		1,26,744
C. Flexi Deposits and interest accrued thereon		24,03,144		66,93,238
<b>Total Cash and cash equivalents (A+B+C)</b>		<b>30,14,720</b>		<b>71,85,294</b>

**OTHER CURRENT ASSETS**

**Details of Advance Tax and TDS**

Particulars	March 31, 2020		March 31, 2019	
	Rupees	Rupees	Rupees	Rupees
<u>Assessment Year 2019-20</u>				
TDS on FD Interest		2,33,645		2,33,645
<u>Assessment Year 2020-21</u>				
TDS on FD Interest		1,90,122		-
<u>Assessment Year 2018-19</u>				
TDS on FD Interest		5,204		5,204
<u>Assessment Year 2013-14</u>				
Tax On Regular Assessment		-	19,05,268	
TDS - Interest			6,035	19,11,303
		4,28,971		21,50,152
Less: Provision For Taxation (Assessment Year 2013-14)	-		1,80,000	
Provision For Taxation (Assessment Year 2020-21)	60,000	60,000	-	1,80,000
		3,68,971		19,70,152

**PUNIT COMMERCIALS LIMITED**

CIN : L51900MH1984PLC034880  
GROUPINGS TO NOTE TO BALANCE SHEET

Grouping to Note No. 7

**OTHER CURRENT ASSETS**

Particulars	March 31, 2020		March 31, 2019	
<b>Other Current assets</b>				
Prepaid Expenses	24,657		2,008	
Details of Advance Tax & TDS	3,68,971		19,70,152	
		3,93,628		19,72,160

Grouping to Note No. 13

**OTHER FINANCIAL LIABILITIES**

Particulars	March 31, 2020		March 31, 2019	
<b>Creditors for Expenses</b>				
Ascom Infotech Pvt. Ltd.	-		890	
K.P. Mehta & Co	29,160		27,000	
P.P. Shah & Co	32,400		33,150	
R.K. Associates	21,600			
Sampat & Mehta	8,100		-	
ML. Bhuwania and Co LLP	-		81,000	
Audit and Professional Fees Payable	27,000		27,000	
Professional Tax Payable	1,700		-	
Salary Payable	15,000		-	
Rent Payable	12,000		-	
TDS on Professional Fees	9,750	1,56,710	17,500	1,86,540
Less :				
Creditors having debit balance				
Sampat & Mehta		-	950	950
		1,56,710		1,85,590
<b>Statutory Liabilities</b>				
GST payable		(22,106)		1,40,953
<b>Total Other Current Liabilities</b>		1,34,604.00		3,26,543



**PUNIT COMMERCIALS LIMITED**

**L51900MH1984PLC034880**

**Registered Office: AW 2022, "A" Tower, Bharat Diamond Bourse, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051**

**ATTENDANCE SLIP**

(To be presented at the Entrance)

Thirty – Fifth Annual General Meeting of the Company held on Saturday, 31<sup>st</sup> October, 2020 at 10.00 a.m. at AW 2022, "A" Tower, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

Folio No.: ..... DP ID No.: ..... Client ID No.: .....

Name of the Member: ..... Signature: .....

Name of the Proxyholder: ..... Signature: .....

1. Only Member / Proxyholder can attend the Meeting.
2. Member / Proxyholder should bring his / her copy of the Annual Report for reference at the Meeting.

**PUNIT COMMERCIALS LIMITED**  
**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]*

CIN:	L51900MH1984PLC034880
Name of the Company:	<b>PUNIT COMMERCIALS LIMITED</b>
Registered Office:	AW 2022, “A” Tower, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
Email ID:	fatimad@punitcommercials.com
Folio No /Client ID / DP ID:	

I / We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

1.	Name		
	Address		
	Email Id	Or failing him	
	Signature		
2.	Name		
	Address		
	Email Id	Or failing him	
	Signature		
3.	Name		
	Address		
	Email Id	Or failing him	
	Signature		

as my / our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 35<sup>th</sup> Annual General Meeting of the Company, to be held on the Saturday, 31<sup>st</sup> October, 2020 at 10.00 a.m. at AW 2022, “A” Tower, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 and at any adjournment thereof in respect of such resolutions as indicated below:

Sr. No.	Resolutions	For	Against
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2020		
2.	Appointment of Mr. Nirav Mehta, who retires by rotation and being eligible offers himself for re-appointment.		
3.	Appointment M/s. Diwan Gosalia & Associates, Chartered Accountants as Statutory Auditors and to fix their remuneration		
4.	Appointment of Mr. Himanshu Kothari as an Independent Director of the Company for a term of 5 years		
5.	Re-Appointment of Mr. Nirav Mehta as Managing Director of the Company		

Signed this _____ day of _____ 2020.	<div style="border: 2px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Affix revenue stamp</div>
Signature of shareholder : _____ Signature of Proxy Holder(s): _____	

**NOTE:** The Proxy Form in order to be effective should be completed and deposited at the Registered Office of the Company not less than 48 before the commencement of the Meeting.

**BOOK - POST**

To

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**If undelivered, please return to  
PUNIT COMMERCIALS LIMITED  
AW 2022, "A" Tower,  
Bharat Diamond Bourse,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai – 400 051**