



4<sup>th</sup> September, 2019

To,  
The Corporate Relations Department  
**BSE Limited**  
P. J. Towers, Dalal Street,  
Mumbai-400001, Maharashtra

**Sub: Revised 8<sup>th</sup> Annual Report for the financial year 2018-19**

Scrip Code: 540492

Dear Sir,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith the Revised Annual Report for the financial year 2018-19, along with the Notice of 8<sup>th</sup> Annual General Meeting of Pure Giftcarat Limited.

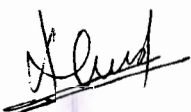
A copy of this Revised Annual Report is also uploaded on the website of the Company and is being dispatched /sent to the members through permitted mode.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

For **PURE GIFT CARAT LIMITED**



**KHUSHBOO MODI**

Company Secretary & Compliance Officer  
ACS No.: 57323



Encl.: As above

---

(CIN No. - L36910GJ2011PLC065141)

Registered Office : M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat - 395007, Gujarat.

Email : [info@puregiftcarat.com](mailto:info@puregiftcarat.com) | Tel: 0261-2600343 | Mob: +91-7043999030 | Web : [www.puregiftcarat.com](http://www.puregiftcarat.com)



**PURE**  
GIFTCARAT LIMITED

**8<sup>TH</sup>**  
**ANNUAL REPORT**  
**2018 - 19**

# **INDEX**

<b>CONTENTS</b>	<b>PAGE NO.</b>
COMPANY INFORMATION	01
NOTICE	02
DIRECTORS' REPORT	15
EXTRACT OF ANNUAL RETURN	24
FORM AOC-2	34
RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION AND OTHER DISCLOSURE	35
FORM MR-3- SECRETARIAL AUDITOR REPORT	37
MANAGEMENT DISCUSSION AND ANALYSIS REPORT	41
CORPORATE GOVERNANCE REPORT	45
INDEPENDENT AUDITOR'S REPORT	65
BALANCE SHEET	73
STATEMENT OF PROFIT & LOSS	74
CASH FLOW STATEMENT	75
NOTES FORMING PART OF FINANCIAL STATEMENTS	76
ATTENDANCE SLIP	85
FORM MGT-11- PROXY FORM	86



## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Shwet Koradiya	Chairman & Managing Director
Mr. Brijeshkumar Mali	Non-Executive Independent Director
Mr. Paresh Lathiya	Non-Executive Independent Director
Mrs. Niki Doshi	Non-Executive Independent Director (Ceased w.e.f. 25.10.2018)
Mrs. Jenish Bhavsar	Additional Independent Director (Appointed w.e.f. 03.11.2018)

### **CHIEF FINANCIAL OFFICER**

Mr. Shreykumar Sheth

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Shyam Kapadia	(Ceased w.e.f. 31.10.2018)
Ms. Khushboo Modi	(Appointed w.e.f. 02.03.2019)

### **STATUTORY AUDITORS**

**M/s. Kansariwala & Chevli**  
Chartered Accountants,  
2/1447, "Utkarsh", 1<sup>st</sup> Floor,  
Opp. Sanghvi Hospital,  
Behind Center Point, Sagrampura,  
Surat - 395002, Gujarat

### **INTERNAL AUDITORS**

**M/s. Atit Shah & Associates**  
Chartered Accountants,  
403, Siddha Chambers,  
Taratiya Hanuman Sheri,  
Mahidharpura, Surat-395003,  
Gujarat

### **BANKERS**

YES Bank  
Axis Bank

### **REGISTERED OFFICE**

M-40, Second Floor,  
VIP Plaza, Near Shyam Temple,  
Vesu, Surat-395007, Gujarat  
Phone No.: 0261-2600343, Mob.: +91-7043999030  
E-mail: [info@puregiftcarat.com](mailto:info@puregiftcarat.com)  
Website: [www.puregiftcarat.com](http://www.puregiftcarat.com)

### **REGISTRAR & SHARE TRANSFER AGENT**

**Bigshare Services Private Limited**

#### ***Registered Office Address***

E -2 &3, Ansa Industrial Estate,  
Saki-Vihar Road, Sakinaka,  
Andheri (East), Mumbai-400072,  
Maharashtra  
Phone No.: 022 – 40430200, Fax: 022 - 28475207  
Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

#### ***Corporate Office Address***

1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East, Mumbai-400059,  
Maharashtra  
Phone No.: 022 – 62638200, Fax: 022 - 62638299  
Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)



## **NOTICE**

**NOTICE** is hereby given that the **8<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of **PURE GIFTCARAT LIMITED** will be held on Friday, the 27<sup>th</sup> September, 2019 at 3:00 p.m. at the Registered office of the Company situated at M - 40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat, to transact the following business:

### **ORDINARY BUSINESS:**

#### **1. Adoption of Financial Statements:**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the Report of Board of Directors and Auditors thereon.

#### **2. Appointment of Mr. Shwet Koradiya as a Director liable to retire by rotation:**

To appoint a Director in place of Mr. Shwet Koradiya (DIN: 03489858) who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

#### **3. Appointment of Mrs. Jenish Bhavsar (DIN: 08264511) as an Independent Director:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as recommended by Nomination and Remuneration Committee of the Company, Mrs. Jenish Bhavsar (DIN: 08264511) who was appointed by the Board of Directors as an Additional Director of the Company in the Independent capacity w.e.f. 3<sup>rd</sup> November, 2018 and who holds office as an Additional Director up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from 3<sup>rd</sup> November, 2018 up to 2<sup>nd</sup> November, 2023 and not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to this resolution.”

#### **4. Change the Name of the Company:**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 4, 13, 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Memorandum of Association and Article of Association of the Company and subject to the approvals, consents, sanctions and permissions of the Central Government/Stock exchange(s)/appropriate regulatory and statutory authorities as may be necessary, consent of the Members of the Company be and is hereby accorded to change the name of the Company



from “PURE GIFTCARAT LIMITED” to “STARLINE PRECIOUS STONE LIMITED” and accordingly the name “Pure Giftcarat Limited” wherever appears in the Memorandum and Articles of Association and other documents and papers of the Company be substituted by the new name “STARLINE PRECIOUS STONE LIMITED”.

**RESOLVED FURTHER THAT** the existing Clause I of Memorandum of Association of the Company be and is hereby deleted and new Clause I is to be inserted as under:

I. The name of the Company is “**STARLINE PRECIOUS STONE LIMITED**”.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary in the interest of the Company to give effect to this resolution.”

By Order of the Board of Directors  
**PURE GIFTCARAT LIMITED**

Place: Surat  
Date: 21/08/2019

**KHUSHBOO MODI**  
Company Secretary & Compliance Officer  
ACS: 57323

**REGISTERED OFFICE:-**

M-40, Second Floor,  
VIP Plaza, Near Shyam Temple,  
Vesu, Surat-395007, Gujarat  
Phone No.: 0261-2600343, Mob.: +91-7043999030  
E-mail: [info@puregiftcarat.com](mailto:info@puregiftcarat.com)  
Website: [www.puregiftcarat.com](http://www.puregiftcarat.com)

**NOTES:-**

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts, concerning the business under Item No. 3 & 4 of the notice, is annexed hereto. The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/re-appointment as Director under Item No. 2 & 3 the Notice, are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT AN ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of not more than fifty (50) members and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy for his entire shareholding and such person shall



not act as a proxy for another person or shareholder. If a proxy is appointed for more than fifty members, he/she shall choose any fifty Members and confirm the same to the Company before the commencement of the specified period for inspection. In case the proxy fails to do so, the Company shall consider only the first fifty proxies received as valid. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/authority letter as applicable, on behalf of the nominating organization.

**THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ANNEXED HEREWITH.**

3. Corporate Members (i.e. other than Individuals, HUF, NRI, etc.) shall send certified true copy of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Company to attend and vote at the AGM.
4. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
5. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to bring your folio number/demat account number/DP-ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Share Transfer books of the Company will remain closed from **21<sup>st</sup> September, 2019 to 27<sup>th</sup> September, 2019 (both days inclusive)**.
8. Members may please note that no gifts, gift coupons, or cash in lieu of gifts will be distributed at meeting, in compliance with Section 118(10) of the Companies Act, 2013 and the Secretarial Standards issued by Institute of Company Secretaries of India.
9. Members are requested to:
  - a. Intimate to the Company's Registrar & Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd., 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra, their Depository Participant ("DP"), regarding changes if any, in their registered address and their E-mail ID at an early date.
  - b. Quote their Registered Folio Numbers and/or DP Identity and Client Identity Number in their correspondence.
  - c. Bring their copy of Annual Report and the Attendance Slip which is duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No. with them at the Annual General Meeting. As a measure of economy, extra copies of the Annual Report will not be provided at the meeting.
  - d. Affix their signatures at the space provided on the attendance slip annexed to the proxy form and hand over the slip at the entrance of the meeting hall.



10. Members who hold shares in the dematerialized form and want to provide/change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details.

The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their Demat accounts. Members holding Shares in physical form can submit their PAN details to Bigshare Services Pvt. Ltd.

11. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Company’s Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.
12. Non-resident Indian shareholders are requested to inform to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately about the following :-
- a. The change in the residential status on return to India for permanent settlement.
  - b. The particulars of the NRE account with a Bank in India, if not furnished earlier.
13. Securities and Exchange Board of India has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 08, 2018 to permit transfer of listed securities only in dematerialized form with a depository. Therefore, Members are requested to convert their Share(s) lying in physical form to the Demat form for easy transferability of Shares, which will also curb the fraud and manipulation risk in physical transfer of securities. For any help, the shareholders may contact to the Registrar & Transfer Agent at email id. [investor@bigshareonline.com](mailto:investor@bigshareonline.com) and to Company Secretary at email id. [info@puregiftcarat.com](mailto:info@puregiftcarat.com).
14. Pursuant to provisions of Section 72 of the Companies Act, 2013 members holding Shares in physical mode are advised to file a Nomination Form in respect of their Shareholding. Any Member wishing to avail this facility may submit the prescribed statutory form SH-13 to the Company Share transfer agent. The said form can be downloaded from the Company’s website [www.puregiftcarat.com](http://www.puregiftcarat.com).
15. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least seven days prior to the meeting so that the required information can be made available at the Meeting.
16. SEBI & Ministry of Corporate Affairs is promoting electronic communication as a contribution to greener environment. Accordingly, as a part of green initiative, soft copy of the Notice of the AGM along with the Annual Report for Financial Year 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. Further, in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 136 of the Companies Act, 2013 including Rules made thereunder for Members who have not registered their E-mail addresses, physical copies are being sent by the permitted mode. Members may note that



this Notice and the Annual Report for Financial Year 2018-19 will also be available on the Company's website [www.puregiftcarat.com](http://www.puregiftcarat.com).

17. Members who have not registered their e-mail address with the Company are requested to submit their valid e-mail address to Bigshare Services Pvt. Ltd. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly.
18. Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, as amended from time to time, the appointment of M/s. Kansariwala&Chevli, Chartered Accountants, Surat (Firm Registration No. 123689W) made in the 5<sup>th</sup> Annual General Meeting (AGM) for a period of 5 years be and is hereby ratified as the statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 9<sup>th</sup> Annual General Meeting, subject to ratification of their appointment by members at every Annual General Meeting if so required by the Companies Act 2013. Vide notification dated 7<sup>th</sup> May, 2018; the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 8<sup>th</sup> Annual General Meeting.
19. The route map showing directions to reach the venue of the 8<sup>th</sup> AGM is annexed.
20. Voting through electronic means (i.e. remote e-voting):
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide the members, a facility to exercise their right to vote on resolutions proposed to be considered at the 8<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote E-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at an AGM and the members attending the meeting who have not cast their vote by remote E-voting will be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote E-voting prior to an AGM may also attend the AGM but will not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on Tuesday, 24<sup>th</sup> September, 2019 (9:00 a.m.) and ends on Thursday, 26<sup>th</sup> September, 2019 (5:00 p.m.). During this period, Members of the Company holding shares either in physical form or in dematerialized form as on the cut-off date of Friday, 20<sup>th</sup> September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently.



V. The process and manner for remote e-voting are as under:

**A. Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>.**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:
  - (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - (c) How to retrieve your ‘initial password’?



- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**B. Step 2: Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.



7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- VI. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through E-mail to [csmanshipatel@gmail.com](mailto:csmanshipatel@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- VII. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- VIII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- IX. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- X. You can also update your mobile number and E-mail id in the user profile details of the folio which may be used for sending future communication(s).
- XI. The voting rights of members shall be in proportion to their Shares of the paid up Equity Share capital of the Company as on the cut-off date of 20<sup>th</sup> September, 2019.
- XII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding Shares as of the cut-off date i.e. 20<sup>th</sup> September, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.
- XIII. A member may participate in an AGM even after exercising his right to vote through remote E-voting but shall not be allowed to vote again at an AGM.
- XIV. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote E-voting as well as voting at an AGM through ballot paper.
- XV. Mr. Manish Patel, Company Secretary in Practice (COP No. 9360) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting process in a fair and transparent manner.
- XVI. The Chairman shall, at the end of discussion on the resolutions in AGM on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote E-voting facility.



- XVII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVIII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.puregiftcarat.com](http://www.puregiftcarat.com) after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange where the shares of the Company are listed.
21. All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the Registered Office of the Company situated at M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat between 10.00 a.m. to 5.00 p.m. on all working days, except on holidays, up to and including the date of the Annual General Meeting of the Company.

### **ANNEXURES TO THE NOTICE**

#### **(I) EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

##### **ITEM NO. 3:**

Mrs. Jenish Bhavsar (DIN: 08264511) has been appointed as an Additional Director in the Independent capacity of the Company with effect from 3<sup>rd</sup> November, 2018, under Section 161 of the Companies Act, 2013, pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors. She holds office up to the date of the ensuing Annual General Meeting.

On recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, signifying intention to propose Mrs. Jenish Bhavsar as a candidate for the office of an Independent Director of the Company to hold office for five consecutive years for a period from 3<sup>rd</sup> November, 2018 to 2<sup>nd</sup> November, 2023 and shall not retire by rotation.

Mrs. Jenish Bhavsar is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director.

As per the Section 149 of the Act, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of Company and shall not be included in the total number of Directors for retirement by rotation.

The Company has also received a declaration from Mrs. Jenish Bhavsar that she meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations. Mrs. Jenish Bhavsar possesses appropriate skills, experience and knowledge; inter alia, in Jewellery Business.

In the opinion of the Board, Mrs. Jenish Bhavsar fulfills the conditions for her appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mrs. Jenish Bhavsar is independent of the management.

Draft copy of appointment letter of Mrs. Jenish Bhavsar as an Independent Director setting out the terms and conditions is available in physical mode for inspection by members at the Registered



Office of the Company during the business hours on any working days between 10.00 a.m. to 5.00 p.m. and also available at the venue of AGM.

She is not holding any equity shares of the Company and she is not related to any Director of the Company.

Accordingly, your Directors recommend the Ordinary Resolution mentioned in item no. 3 for approval of the shareholders.

None of the Directors or Key Managerial Personnel of the Company or their relative except Mrs. Jenish Bhavsar is considered to be interested or concerned in the above resolution.

#### **ITEM NO. 4:**

Your Board of Directors at their meeting held on 21<sup>st</sup> August, 2019 have decided to change the name of the Company from “**Pure Giftcarat Limited**” to “**Starline Precious Stone Limited**” and consequential alteration of Memorandum of Association and Articles of Association and other documents and papers of the Company, subject to requisite approvals. The change in the name of the Company is being undertaken as a part of Corporate Rebranding as the Company is doing business under the brand name “Starline Precious Stone” and that the said brand is picking up momentum in Indian market so it would be in the interest of the Company to change name of the Company to align with the Brand name.

The proposed change of name would not result in change of the legal status or constitution or operations or activities of the Company, nor would it affect the rights of the Company or of the Members / Stakeholders of the Company. All existing Share certificates bearing the current name of the Company will, after change of the name, continue to be valid for all purposes.

As per the provisions of Sections 4, 13, 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder, approval of members is required to be accorded for changing the name of the Company and consequent alteration of Memorandum of Association and Articles of Association of the Company by the way of Special Resolution.

Draft copy of altered Memorandum and Articles of Association of the Company is available in physical mode for inspection by members at the Registered Office of the Company during the business hours on any working days between 10.00 a.m. to 5.00 p.m. and also available at the venue of AGM.

Accordingly, your Directors recommend the Special Resolution mentioned in item no. 4 for approval of the shareholders.

None of the Directors or Key Managerial Personnel of the Company or their relative is considered to be interested or concerned in the above resolution.

## **(II) DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD – 2 ON “GENERAL MEETING”:**

### **A.**

Name of the Director	Mr. Shwet Koradiya (DIN:03489858)
Designation/Category	Chairman and Managing Director/Promoter



Date of Birth	23/07/1988
Age	31 Years
Nationality	Indian
Qualification	M.B.A. (Finance) from University of Technology Sydney (UTS), Australia.
Date of first appointment on the Board of the Company	26/04/2011
No. of Board Meetings attended during the Year 2018-19	4 (Four)
Expertise in specific functional area	Diamond and Construction Industry
Brief Profile	Mr. Shwet Koradiya, aged 31 years, has completed his M.B.A. (Finance) from University of Technology Sydney (UTS), Australia and he has been very much instrumental in the field of Finance, Accounts and General administration. He has more than 8 years of experience in the field of Diamond and Construction Industry.
Terms and conditions of appointment or re-appointment	He will be liable to retire by rotation.
Remuneration Last drawn	Rs. 50,000/- per month
Shareholding in the Company	Nil
Directorship in the other Entities	1. Koradiya Mile Stone Private Limited 2. Panth Infinity Limited (Formerly known as Synergy Bizcon Limited)
Membership/Chairmanship in Committees (Other than Pure Giftcarat Limited)	i. He is a Member of Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee of Panth Infinity Ltd. ii. He is a Chairman of Risk Management Committee of Panth Infinity Ltd.
Relationship with other Director(s), Manager and KMP	Not related to other Director(s), Manager and KMP

**B.**

Name of the Director	Mrs. Jenish Bhavsar (DIN: 08264511)
Designation/Category	Additional Independent Director
Date of Birth	13/07/1987
Age	31 Years
Nationality	Indian
Qualification	M.Sc (I.T)
Date of first appointment on the Board of the Company	03/11/2018
No. of Board Meetings attended during the Year 2018-19	1 (One)
Justification for choosing the appointee for appointment as Independent Director	For seeking expertise in Jewellery Designing
Expertise in specific functional area	Knowledge of IT Industry
Brief Profile	Mrs. Jenish Bhavsar has completed M.Sc.IT from J. P. Dawar Institute of Information Technology, Surat, Gujarat. She is having working as an Assistant



	Professor in C.B. Patel Computer College, Surat since more than 6 years. She has a good quality background in Software Engineering. She is having various skills in E-Commerce field alongwith Programming Languages like C, C++, PHP, HTML, ASP.NET, etc.
Terms and conditions of appointment or re-appointment	As per explanatory statement No. 3
Remuneration Last drawn	Nil
Shareholding in the Company	Nil
Directorship in the other Entities	Nil
Membership/Chairmanship in Committees (Other than Pure Giftcarat Limited)	Nil
Relationship with other Director(s), Manager and KMP	Not related to other Director(s), Manager and KMP

By Order of the Board of Directors  
**PURE GIFTCARAT LIMITED**

Place: Surat  
Date: 21/08/2019

**KHUSHBOO MODI**  
Company Secretary & Compliance Officer  
ACS No.: 57323

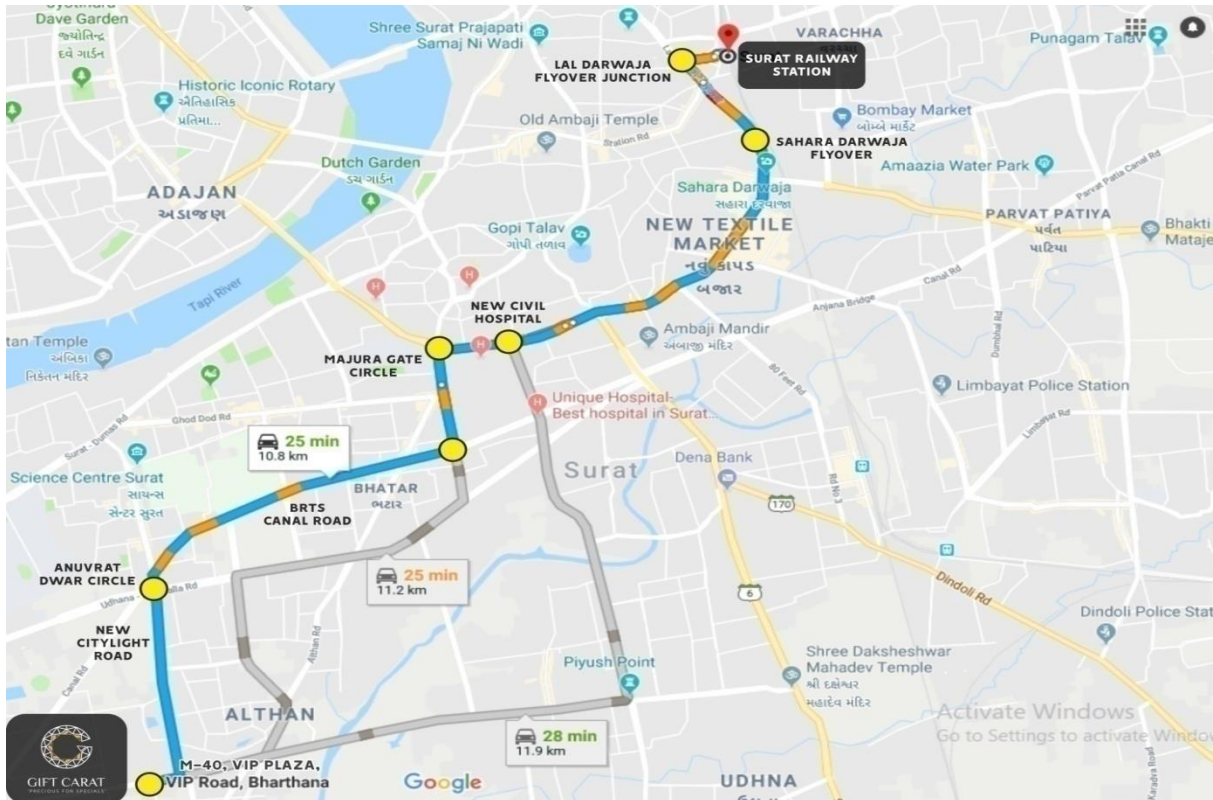
**REGISTERED OFFICE:-**

M-40, Second Floor,  
VIP Plaza, Near Shyam Temple,  
Vesu, Surat-395007, Gujarat, India  
Phone No.: 0261-2600343, Mob.: +91-7043999030  
E-mail: [info@puregiftcarat.com](mailto:info@puregiftcarat.com)  
Website: [www.puregiftcarat.com](http://www.puregiftcarat.com)



## Route Map to the Venue of the 8<sup>th</sup> AGM

M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat





## **DIRECTORS' REPORT**

To,  
The Members,

Your Directors are pleased to present the 8<sup>th</sup> Annual Report of your Company together with the Audited Financial statements and Auditors' Report for the year ended 31<sup>st</sup> March, 2019.

### **1. FINANCIAL PERFORMANCE:-**

The financial performance of the Company is summarized below:

(Amount in Rs.)

Particulars	F.Y. 2018-19	F.Y. 2017-18
<b>Revenue from Operations</b>	<b>13,95,00,193.00</b>	<b>24,14,90,061.00</b>
Other Income	387.27	985.39
<b>Total Income</b>	<b>13,95,00,580.27</b>	<b>24,14,91,046.39</b>
Profit/(Loss) Before Tax & Exceptional/Extraordinary Items	8,63,021.88	38,17,370.64
Less:		
Exceptional/Extraordinary items (Note-1)	-	(17,70,948.00)
<b>Profit/(Loss) Before Tax</b>	<b>8,63,021.88</b>	<b>20,46,422.64</b>
Less: Tax Expense :		
- Current Tax	2,69,170.00	7,99,300.00
- Deferred Tax Liabilities/(Assets)	-15,162.00	26,171.00
<b>Net Profit/(Loss) After Tax</b>	<b>6,09,013.88</b>	<b>12,20,951.64</b>

**Note-1:** An extraordinary item in the previous year represents various expenses relating to the Initial Public Offer of the Company and related thereto.

### **2. REVIEW OF OPERATIONS:-**

The Total Income of your Company for the current year was decreased to Rs. 13,95,00,580.27/- as against Total Income of Rs. 24,14,91,046.39/- of the previous year. Also, the Company's Net Profit After Tax has been decreased to Rs. 6,09,013.88/- for the current year as against the Net Profit After Tax of Rs. 12,20,951.64/- of the previous year.

### **3. TRANSFER TO RESERVES:-**

During the year under review, your Directors have not proposed to transfer any amount to Reserves.

### **4. DIVIDEND:-**

During the year under review, your Directors have not recommended any Dividend on Equity Shares of the Company with a view to conserve resources for expansion of business.

### **5. PUBLIC DEPOSITS:-**

During the year under review, your Company has neither invited nor accepted any Public Deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.



## **6. SHARE CAPITAL:-**

During the year under review, your Company's issued, subscribed & paid up Equity Share Capital remains unchanged to Rs. 21,61,50,000/- (Rupees Twenty One Crore Sixty One Lakh Fifty Thousand) divided into 2,16,15,000 (Two Crore Sixteen Lakh Fifteen Thousand) Equity Shares of Rs. 10/-

## **7. BOARD OF DIRECTORS:-**

Mr. Shwet Koradiya (DIN: 03489858), Mr. Brijeshkumar Mali (DIN: 07385024), Mr. Paresh Lathiya (DIN: 07551263) and Mrs. Niki Doshi (DIN: 07940941) were the Directors on the Board at the beginning of financial year. However, the following changes were occurred till the date of approval of Directors' Report of the Company:

- ❖ Mr. Shwet Koradiya (DIN: 03489858), Director of the Company liable to retire by rotation has been reappointed in 7<sup>th</sup> Annual General Meeting of the Company held on 20<sup>th</sup> September, 2018.
- ❖ Mrs. Niki Doshi (DIN: 07940941) Independent Director of the Company had resigned from the post of Directorship of the Company w.e.f. 25<sup>th</sup> October, 2018 and the same has been accepted by Board of Directors in Board Meeting held on 2<sup>nd</sup> November, 2018.
- ❖ Mrs. Jenish Bhavsar has been appointed as an Additional Director of the Company in Independent capacity w.e.f. 3<sup>rd</sup> November, 2018 in the Board Meeting held on 2<sup>nd</sup> November, 2018 who hold office upto the date of 8<sup>th</sup> Annual General Meeting. The Company has received a notice from Shareholder in terms of Section 160 of the Act signifying intention to propose the appointment of Mrs. Jenish Bhavsar as an Independent Director w.e.f. 3<sup>rd</sup> November, 2018.
- ❖ As on 31<sup>st</sup> March, 2019, Your Company has 4 (Four) Directors, namely,

Mr. Shwet Koradiya	-	Chairman and Managing Director
Mr. Brijeshkumar Mali	-	Independent Director
Mr. Paresh Lathiya	-	Independent Director
Mrs. Jenish Bhavsar	-	Additional Independent Director
- ❖ As per the provisions of the Companies act, 2013, Mr. Shwet Koradiya, Managing Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

## **8. KEY MANAGERIAL PERSONNEL:-**

As on 31<sup>st</sup> March, 2019, Your Company has the following Key Managerial Personnel (KMP):

- |                           |   |  |
|---------------------------|---|--|
| (i) Mr. Shwet Koradiya    | - | Chairman & Managing Director           |
| (ii) Mr. Shreykumar Sheth | - | Chief Financial Officer (CFO)          |
| (iii) Ms. Khushboo Modi*  | - | Company Secretary & Compliance Officer |
- Mr. Shyam Kapadia has appointed for the Post of Company Secretary and Compliance Officer w.e.f. 14<sup>th</sup> May, 2018 and resigned w.e.f. 31<sup>st</sup> October, 2018.
- \* Ms. Khushboo Modi has been appointed as Company Secretary & Compliance Officer of the Company w.e.f. 2<sup>nd</sup> March, 2019.



**9. DECLARATION FROM INDEPENDENT DIRECTORS AND THEIR FAMILIARISATION PROGRAM:-**

The Company has received necessary declaration from each Independent Directors under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 and 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board relies on their declaration of independence.

Pursuant to the provisions of Regulation 25 of the SEBI Listing Regulations, the Company has formulated a programme for familiarising the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various initiatives. The detail of the aforementioned programme is available on the Company's website at [www.puregiftcarat.com](http://www.puregiftcarat.com).

**10. DIRECTORS' RESPONSIBILITY STATEMENT:-**

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Directors confirm that-

- (i) in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2019, the applicable accounting standards have been followed and no material departures have been made for the same;
- (ii) appropriate accounting policies have been selected and applied them consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March, 2019 and of the profit of the Company for that period;
- (iii) proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a "going concern" basis;
- (v) the proper internal financial controls are laid down and are adequate and operating effectively;
- (vi) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

**11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:-**

During the year under review, no loans or guarantees have been given to any person or body corporate directly or indirectly and no investments have been made by the Company under Section 186 of the Companies Act, 2013.

**12. MEETINGS OF BOARD OF DIRECTORS :-**

During the year, 4 (Four) Board Meetings were held. The intervening gap between the Meetings did not exceed the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of which are given in the Corporate Governance Report, forming part of Annual Report. The Notice along with Agenda and Agenda items of each Board Meetings were given to each Director of the Company.

**13. MEETINGS OF MEMBERS:-**

During the year under review, 7<sup>th</sup> Annual General Meeting of the Company was held on 20<sup>th</sup> September, 2018 and no Extra Ordinary General Meeting was held during the financial year.



#### **14. COMMITTEE MEETINGS:-**

The details pertaining to the composition of the Audit Committee and other Committees and all meetings held during the year 2018-19 are included in the Corporate Governance Report. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

#### **15. BOARD EVALUATION:-**

In line with the Corporate Governance Guidelines of the Company, Annual Performance Evaluation was conducted for all Board Members as well as the working of the Board and its Committees. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in consonance with Guidance Note on Board Evaluation issued by SEBI in January, 2017.

Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance and compensation to Executive Directors, succession planning, strategic planning, etc.

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment, etc.

Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board, etc. The Board has also noted areas requiring more focus in the future.

#### **16. PREVENTION OF INSIDER TRADING:-**

The Company has adopted a Code of Conduct for Prevention of Insider Trading in compliance with the SEBI (Prohibition & Insider Trading) Regulations, 2015, as amended from time to time, with a view to regulate the trading in securities by the Directors and Designated Employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of shares of the Company by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the 'Trading Window' is closed. The Board is responsible for implementation of the code. All Directors and the designated Employees have confirmed compliance with the code.

#### **17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:-**

The particulars required to be included in terms of Section 134(3)(m) of the Companies Act, 2013 with regard to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo are given below:

##### **a. Conservation of Energy:**

Your Company is not engaged in any type of production. Hence, there are no extra steps taken for energy saving. However, regular steps have been taken to improve energy consumption by using LED lights in office premises. Further, during the year, your Company has not made any capital investment on energy conservation equipment. Your Company is using Electricity as source of energy only.



**b. Technology Absorption:**

The project of your Company has no technology absorption, hence no particulars are offered.

**c. Foreign Exchange Earning and Outgo:**

The foreign Exchange earnings and expenditure of the Company is NIL.

**18. EXTRACT OF ANNUAL RETURN:-**

Pursuant to Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in form MGT-9 is attached to this report as “Annexure-1”. The same is being made available on the Company’s website [www.puregiftcarat.com](http://www.puregiftcarat.com).

**19. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:-**

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

**20. POLICY:-**

❖ **VIGIL MECHANISM (WHISTLE BLOWER POLICY):-**

The Company has adopted Vigil Mechanism/Whistle Blower Policy in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Under this policy, your Company encourages its employees to report any reporting of fraudulent financial or other information to the stakeholders, and any conduct that results in violation of the Company’s code of business conduct, to the management (on an anonymous basis, if employees so desire). Further, your Company has prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee’s reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the investigation. The Vigil Mechanism/Whistle Blower Policy is being made available on the Company’s website [www.puregiftcarat.com](http://www.puregiftcarat.com).

❖ **REMUNERATION POLICY:-**

Pursuant to provision of Section 178(3) of the Companies Act, 2013, the Board has framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel including criteria for determining qualifications, positive attributes and independence of Directors. More details have been disclosed in the Corporate Governance Report. The Remuneration Policy has been uploaded on the Company’s website [www.puregiftcarat.com](http://www.puregiftcarat.com).

**21. BOARD DIVERSITY POLICY:-**

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought process at the back of varied industrial and management expertise, gender and knowledge. The board recognizes the importance of diverse composition and has adopted a Board



Diversity Policy which sets out the approach to diversity. The Board Diversity Policy is available on our website [www.puregiftcarat.com](http://www.puregiftcarat.com)

## **22. JOINT VENTURES, SUBSIDIARIES AND ASSOCIATES:-**

As on 31<sup>st</sup> March, 2019, your Company does not have any Joint Ventures, Subsidiaries and Associates Company.

## **23. CORPORATE SOCIAL RESPONSIBILITY [CSR]:-**

The provisions of the CSR expenditure and Composition of Committee as provided in the Section 135 of the Companies Act, 2013 is not applicable to the Company.

## **24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY:-**

All related party transactions that were entered into during the financial year were at arm's length basis and were in the ordinary course of business. All related Party Transactions were placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee has been obtained for the transactions which are of a foreseen and in repetitive nature. Policy on Transactions with Related Parties as approved by the Board is uploaded on the Company's website at web link [www.puregiftcarat.com](http://www.puregiftcarat.com).

During the year, your Company has entered into material related party contract. Accordingly, the disclosure of related party contracts as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is attached to this report as “Annexure-2”.

Suitable disclosure as required under AS-18/Ind-AS-24 has been made in Note to the Financial Statement.

## **25. PARTICULARS OF EMPLOYEES:-**

Information on particulars of employees' remuneration as per Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is reported to be NIL as there are no employees who are in receipt of remuneration above the prescribed limit.

## **26. RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION AND OTHER DISCLOSURES:-**

The table containing the names and other particulars of ratio of Directors' Remuneration to Median Employees' Remuneration in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this report as “Annexure-3”.

## **27. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:-**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder at workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



During the Financial Year 2018-19, the Company had not received any complaints and no complaints were pending as on 31<sup>st</sup> March, 2019.

## **28. STATUTORY AUDITORS' AND REPORT:-**

M/s. Kansariwala & Chevli, Chartered Accountants, Surat (Firm Registration No. 123689W) were appointed as Statutory Auditors of the Company at the 5<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2016 to hold office until the conclusion of the 10<sup>th</sup> Annual General Meeting to be held in the year 2021, subject to ratification at every intervening Annual General Meeting of the Company.

However, vide notification dated 7<sup>th</sup> May, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of Statutory Auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of the 8<sup>th</sup> AGM.

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments. The Auditors has not reported any matter of an offence of fraud to the Company required to be disclosed under Section 143(12) of the Companies Act, 2013.

## **29. INTERNAL AUDITORS AND REPORT:-**

M/s. Atit Shah & Associates, Chartered Accountants of Surat is acting as an Internal Auditors of the Company and has conducted periodic audit of all operations of the Company. The Audit Committee of the Board of Directors has reviewed the findings of Internal Auditors regularly.

## **30. SECRETARIAL AUDIT:-**

During the year, your Company has appointed Mr. Manish R. Patel, Company Secretary in Practice of Surat as Secretarial Auditor to undertake the secretarial audit of the Company for the F.Y. 2018-19. The Secretarial Audit Report in form MR-3 is attached to this report as “**Annexure-4**”. The report does not contain any qualifications, reservation or adverse remarks.

## **31. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:-**

The Management's Discussion and Analysis Report provides a perspective of economic and social aspects material to your Company's strategy and its ability to create and sustain value to your Company's key stakeholders. Pursuant to the provisions of Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and Analysis Report capturing your Company's performance, industry trends and other material changes with respect to your Company is attached to this report as “**Annexure – 5**”.

## **32. CORPORATE GOVERNANCE:-**

The members may please note that the provisions relating to Corporate Governance are not applicable to the Company. Accordingly, your Company is not required to submit the Corporate Governance Report with this Annual Report. However, keeping in view the objective of encouraging the use of better practices, your Company has decided voluntarily to adopt and disseminate disclosure of Corporate Governance which not only serve as a benchmark for the corporate sector but also help the Company in achieving the highest standard of Corporate Governance.

Accordingly, a voluntary disclosure on Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as “**Annexure – 6**”.



As such the Members may note that any omission of any Corporate Governance provisions shall not be construed as non-compliance of the above mentioned regulations.

**33. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE BOARD REPORT:-**

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

**34. CHANGE IN THE NATURE OF BUSINESS:-**

For sustained growth in the future, Company wants to rely on its main business of trading of Precious Metals, Stones & Jewellery. Hence, there is no change in the nature of the business of the Company during the year.

**35. LISTING FEES:-**

The Equity Shares of the Company are listed on SME Platform of BSE Limited and the Company has paid the necessary listing fees for the Financial Year 2019-20.

**36. REGISTRAR AND SHARE TRANSFER AGENT:**

Your Company has appointed Bigshare Services Private Limited as its Registrar and Share Transfer Agent on 9<sup>th</sup> May, 2017.

**37. RISK MANAGEMENT:-**

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

**38. DETAILS SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:-**

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its operations in future.

**39. MAINTENANCE OF COST RECORDS & AUDIT:-**

Your Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013. The provision of cost audit does not apply to your Company.

**40. SHIFTING OF THE REGISTERED OFFICE OF THE COMPANY WITHIN THE LOCAL LIMITS OF THE CITY:-**

Board of Directors of your Company in its Board Meeting held on 14<sup>th</sup> May, 2018 has approved to shift the Registered Office of the Company within Local Limits of the City from “Plot-828/829, 3<sup>rd</sup> Floor,



Office-3, Shree Kuberji Complex, Athugar Street, Nanpura Main Road, Surat-395001, Gujarat” to “M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat” w.e.f. 1<sup>st</sup> June, 2018.

#### **41. DISCLOSURE ON SECRETARIAL STANDARDS COMPLIANCE:-**

During the year under review, your Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

#### **42. HUMAN RESOURCES:-**

The Company treats its “Human Resources” as one of its most important assets. The Company’s culture promotes an environment that is transparent, flexible, fulfilling and purposeful. The Company is driven by passionate and highly engaged workforce. This is evident from the fact that the Company continues to remain the industry benchmark for talent retention.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. The Company thrust is on the promotion of talent internally through job rotation and job enlargement.

During the year under review, there was a cordial relationship with all the employees. The Directors would like to acknowledge and appreciate the contribution of all employees towards the performance of the Company.

#### **43. ACKNOWLEDGEMENT:-**

Your Directors would like to express their appreciation for the assistance and co-operation received from the Financial Institutions, the Bankers, Government authorities, customers, vendors and shareholders during the year under review. Your Directors also wish to record their recognition of the customer support and patronage by the corporate houses in and around Surat.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, which enable the Company to deliver a good all-round record performance.

By Order of the Board of Directors  
**PURE GIFTCARAT LIMITED**

Place: Surat  
Date: 21/08/2019

**SHWET KORADIYA**  
Chairman & Managing Director  
DIN: 03489858

#### **REGISTERED OFFICE:-**

M-40, Second Floor,  
VIP Plaza, Near Shyam Temple,  
Vesu, Surat-395007, Gujarat, India  
Phone No.: 0261-2600343, Mob.: +91-7043999030  
E-mail: [info@puregiftcarat.com](mailto:info@puregiftcarat.com)  
Website: [www.puregiftcarat.com](http://www.puregiftcarat.com)



**ANNEXURE - 1” TO DIRECTOR’S REPORT**

**FORM NO. MGT – 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31<sup>st</sup> March, 2019**

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

<b>I. REGISTRATION AND OTHER DETAILS:</b>		
CIN	L36910GJ2011PLC065141	
Registration Date	26/04/2011	
Name of the Company	Pure Giftcarat Limited	
Category/Sub Category of the Company	Company limited by shares/ Indian Non-Government Company	
Address of the Registered Office and contact details	M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat Phone No.: 0261-2600343, Mob.: +91-7043999030 E-mail: <a href="mailto:info@puregiftcarat.com">info@puregiftcarat.com</a> , Website: <a href="http://www.puregiftcarat.com">www.puregiftcarat.com</a>	
Whether listed Company	Yes	
Name, address and contact details of Registrar and Transfer Agent, if any	<div>Bigshare Services Pvt. Ltd.</div> <div> <b><i>Registered Office Address</i></b>  E -2 &amp; 3, Ansa Industrial Estate,  Saki-Vihar Road, Sakinaka,  Andheri (East), Mumbai-400072,  Maharashtra  Phone No.: 022 – 40430200,  Fax: 022 - 28475207  Email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>  Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> </div> <div> <b><i>Corporate Office Address</i></b>  1<sup>st</sup> Floor, Bharat Tin Works Building,  Opp. Vasant Oasis, Makwana Road,  Marol, Andheri East, Mumbai-400059,  Maharashtra  Phone No.: 022 – 62638200,  Fax: 022 - 62638299  Email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>  Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> </div>	

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:</b>			
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:			
Sr. No.	Name & Description of Main Products/Services	NIC Code of Product/Service	% of total turnover of The Company
1	Wholesale trading of Precious Stones	4669	100%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:</b>				
Name & Address of the Company	CIN / GLN	Holding /Subsidiary /Associate	% of Shares held	Applicable Section
N. A.				



**IV. SHARE HOLDING 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 01-04-2018)				No. of Shares held at the end of the year (as on 31-03-2019)				% 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	1,20,75,000	0	1,20,75,000	55.86	1,20,75,000	0	1,20,75,000	55.86	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporates	15,75,000	0	15,75,000	7.29	15,75,000	0	15,75,000	7.29	0.00
e) Banks/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>1,36,50,000</b>	<b>0</b>	<b>1,36,50,000</b>	<b>63.15</b>	<b>1,36,50,000</b>	<b>0</b>	<b>1,36,50,000</b>	<b>63.15</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI-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 Corp.	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 (A) = (A)(1) + (A)(2)</b>	<b>1,36,50,000</b>	<b>0</b>	<b>1,36,50,000</b>	<b>63.15</b>	<b>1,36,50,000</b>	<b>0</b>	<b>1,36,50,000</b>	<b>63.15</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	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 Fund	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>									
a) Body Corporate									
i) Indian	2,80,000	0	2,80,000	1.30	55,000	0	55,000	0.25	-1.04
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	34,87,841	1,20,000	36,07,841	16.69	7,99,804	0	7,99,804	3.70	-12.99
ii) Individuals Shareholders holding nominal share capital in excess of Rs.1 lakh	13,81,250	9,22,500	23,03,750	10.66	51,02,982	7,28,750	58,31,732	26.98	16.32
c) Others (Specify)									
i) Non Resident Indians (NRI)	20,000	0	20,000	0.09	0	0	0	0	-0.09
ii) Hindu Undivided Family	5,90,000	2,81,250	8,71,250	4.03	7,34,970	1,57,500	8,92,470	4.13	0.10
iii) Clearing Member	8,82,159	0	8,82,159	4.08	3,85,994	0	3,85,994	1.79	-2.30
<b>SUB TOTAL (B)(2):</b>	<b>66,41,250</b>	<b>13,23,750</b>	<b>79,65,000</b>	<b>36.85</b>	<b>70,78,750</b>	<b>8,86,250</b>	<b>79,65,000</b>	<b>36.85</b>	<b>0.00</b>
<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)</b>	<b>66,41,250</b>	<b>13,23,750</b>	<b>79,65,000</b>	<b>36.85</b>	<b>70,78,750</b>	<b>8,86,250</b>	<b>79,65,000</b>	<b>36.85</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>2,02,91,250</b>	<b>13,23,750</b>	<b>2,16,15,000</b>	<b>100.00</b>	<b>2,07,28,750</b>	<b>8,86,250</b>	<b>2,16,15,000</b>	<b>100.00</b>	<b>0.00</b>



<b>ii) Shareholding of Promoters:</b>								
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2018)			Shareholding at the end of the year (As on 31-03-2019)			% 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	Varshaben Dhirajbhai Koradiya	1,20,75,000	55.86	0.00	1,20,75,000	55.86	0.00	0.00
2	Panth Infinity Limited (Formerly known as Synergy Bizcon Limited)	15,75,000	7.29	0.00	15,75,000	7.29	0.00	0.00
	<b>TOTAL</b>	<b>1,36,50,000</b>	<b>63.15</b>	<b>0.00</b>	<b>1,36,50,000</b>	<b>63.15</b>	<b>0.00</b>	<b>0.00</b>

<b>iii) Change in Promoters' Shareholding ( specify if there is no change):</b>								
Sr. No.	Promoter's Name	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in the Shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Varshaben Dhirajbhai Koradiya	1,20,75,000	55.86	01-04-2018	-	-	1,20,75,000	55.86
				31-03-2019	Nil	No change	1,20,75,000	55.86
2	Panth Infinity Limited (Formerly known as Synergy Bizcon Limited)	15,75,000	7.29	01-04-2018	-	-	15,75,000	7.29
				31-03-2019	Nil	No change	15,75,000	7.29



**iv) Shareholding Pattern of top ten Shareholders between 01<sup>st</sup> April, 2018 and 31<sup>st</sup> March, 2019 (other than Directors, Promoters & holders of GDRs & ADRs):**

Sr. No.	Name of the Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in the Shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Vaishnavi Hemantkumar Nanavati	70,000	0.32	01-04-2018	-	-	70,000	0.32
				08-06-2018	-10000	Sale	60,000	0.28
				07-12-2018	20000	Purchase	80,000	0.37
				28-12-2018	112500	Purchase	1,92,500	0.89
				08-02-2019	135000	Purchase	3,27,500	1.52
				31-03-2019	-	-	3,27,500	1.52
2	Riddhi A Patel	1,20,000	0.56	01-04-2018	-	-	1,20,000	0.56
				21-12-2018	68750	Purchase	1,88,750	0.87
				08-02-2019	135000	Purchase	3,23,750	1.50
				31-03-2019	-	-	3,23,750	1.50
3	Jainam Share Consultants Pvt Ltd	6,00,000	2.78	01-04-2018	-	-	6,00,000	2.78
				13-04-2018	20000	Purchase	6,20,000	2.87
				11-05-2018	10000	Purchase	6,30,000	2.91
				08-06-2018	30000	Purchase	6,60,000	3.05
				15-06-2018	-10000	Sale	6,50,000	3.01
				22-06-2018	10000	Purchase	6,60,000	3.05
				29-06-2018	40000	Purchase	7,00,000	3.24
				06-07-2018	30000	Purchase	7,30,000	3.38
				20-07-2018	-10000	Sale	7,20,000	3.33
				03-08-2018	-125592	Sale	5,94,408	2.75
				10-08-2018	-232116	Sale	3,62,292	1.68
				17-08-2018	163040	Purchase	5,25,332	2.43
				05-10-2018	10000	Purchase	5,35,332	2.48
				26-10-2018	-59920	Sale	4,75,412	2.20
				23-11-2018	44630	Purchase	5,20,042	2.41
				07-12-2018	-223958	Sale	2,96,084	1.37
				21-12-2018	-46836	Sale	2,49,248	1.15
				28-12-2018	2084	Purchase	2,51,332	1.16
				31-12-2018	-5000	Sale	2,46,332	1.14
				04-01-2019	-574	Sale	2,45,758	1.14
				11-01-2019	5000	Purchase	2,50,758	1.16
				18-01-2019	-5000	Sale	2,45,758	1.14
				01-02-2019	10000	Purchase	2,55,758	1.18



				15-02-2019	-5000	Sale	2,50,758	1.16
				01-03-2019	5000	Purchase	2,55,758	1.18
				08-03-2019	10000	Purchase	2,65,758	1.23
				15-03-2019	-	Purchase	2,70,758	1.25
				22-03-2019	20000	Purchase	2,75,758	1.28
				29-03-2019	10000	Sale	2,60,758	1.21
				31-03-2019	-	-	2,60,758	1.21
4	Prayag Akshaykumar Patel	20,000	0.09	01-04-2018	-	-	20,000	0.09
				27-04-2018	-10000	Sale	10,000	0.05
				04-05-2018	-10000	Sale	0	0.00
				21-12-2018	55000	Purchase	55,000	0.25
				08-02-2019	157500	Purchase	2,12,500	0.98
				31-03-2019	-	-	2,12,500	0.98
5	Joshi Prakash Vaikuthbhai	1,57,500	0.73	01-04-2018	-	-	1,57,500	0.73
				31-03-2019	-	-	1,57,500	0.73
6	Sanghavi Ashokkumar Rupchand - Huf	1,57,500	0.73	01-04-2018	-	-	1,57,500	0.73
				31-03-2019	-	-	1,57,500	0.73
7	Sureshkumar Mafatlal Joshi	1,46,250	0.68	01-04-2018	-	-	1,46,250	0.68
				31-03-2019	-	-	1,46,250	0.68
8	Jamabhai Bababhai Desai	1,46,250	0.68	01-04-2018	-	-	1,46,250	0.68
				31-03-2019	-	-	1,46,250	0.68
9	Axay Navinchandra Patel	1,20,000	0.56	01-04-2018	-	-	1,20,000	0.56
				27-07-2018	-10000	Sale	1,10,000	0.51
				03-08-2018	-10000	Sale	1,00,000	0.46
				24-08-2018	10000	Purchase	1,10,000	0.51
				14-09-2018	10000	Purchase	1,20,000	0.56
				29-03-2019	20000	Purchase	1,40,000	0.65
				30-03-2019	-	-	1,40,000	0.65
10	Joshi Asharam Jayantibhai	1,35,000	0.62	01-04-2018	-	-	1,35,000	0.62
				30-03-2019	-	-	1,35,000	0.62

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

Sr. No.	Name of the Directors & KMP	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in the Shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Shwet Koradiya (Chairman & Managing	0	0	01-04-2018	-	-	0	0.00



	Director)			31-03-2019	Nil	No Change	0	0.00
2	Brijeshkumar Mali (Independent Director)	0	0	01-04-2018	-	-	0	0.00
				31-03-2019	Nil	No Change	0	0.00
3	Paresh Lathiya (Independent Director)	0	0	01-04-2018	-	-	0	0.00
				31-03-2019	Nil	No Change	0	0.00
4	Jenish Bhavsar (Additional Independent Director) @	0	0	01-04-2018	N.A.	N.A.	0	0.00
				31-03-2019	-	-	0	0.00
5	Niki Doshi (Independent Director) #	0	0	01-04-2018	-	-	0	0.00
				31-03-2019	N.A.	N.A.	0	0.00
6	Shreykumar Sheth (Chief Financial Officer)	0	0	01-04-2018	-	-	0	0.00
				31-03-2019	Nil	No Change	0	0.00
7	Khushboo Modi (Company Secretary & Compliance Officer) *	0	0	01-04-2018	N.A.	N.A.	0	0.00
				31-03-2019	Nil	No Change	0	0.00
8	Shyam Kapadia (Company Secretary & Compliance Officer) ^	0	0	01-04-2018	N.A.	N.A.	0	0.00
				31-03-2019	N.A.	N.A.	0	0.00

@ Appointed as an Additional Independent Director of the Company w.e.f. 03-11-2018

# Ceased from the post of Independent Director of the Company we.f. 25-10-2018

^ Appointed as Company Secretary of the Company w.e.f. 14-05-2018 and Ceased w.e.f. 31-10-2018.

\*Appointed as Company Secretary of the Company w.e.f. 02-03-2019

<b>V) INDEBTEDNESS :</b>				
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0	0	0	0
Reduction	0	0	0	0



<b>Net Change</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :</b>			
<b>A. Remuneration to Managing Director, Whole-time Director and/or Manager:</b>			
<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Shwet Koradiya (Managing Director)</b>	<b>Total Amount (In Rs.)</b>
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	4,20,000	4,20,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	(c ) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0
2	Stock option	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.
4	Commission		
	- as % of profit	N.A.	N.A.
	- others (specify)	N.A.	N.A.
5	Others, please specify	N.A.	N.A.
	<b>Total</b>	<b>4,20,000</b>	<b>4,20,000</b>
<b>Total (A)</b>			<b>4,20,000</b>
Ceiling as per the Act*			

\* Remuneration paid to the Managing Director is within the ceiling provided under Section 197 and Schedule V of the Companies Act, 2013.

<b>B. Remuneration to other Directors:</b>						
<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Name of Directors</b>				<b>Total Amount (In Rs.)</b>
1	<b>Independent Directors</b>	<b>Brijeshkumar Mali</b>	<b>Paresh Lathiya</b>	<b>Jenish Bhavsar @</b>	<b>Niki Doshi *</b>	
	(a) Fee for attending Board & Committee Meetings	34,000	34,000	0	16,000	84,000
	(b) Commission	0	0	0	0	0
	(c ) Others, please specify	0	0	0	0	0
	<b>Total (1)</b>	<b>34,000</b>	<b>34,000</b>	<b>0</b>	<b>16,000</b>	<b>84,000</b>
2	<b>Other Non-Executive Directors</b>					
	(a) Fee for attending Board Committee Meetings	0	0	0	0	0
	(b) Commission	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



	<b>Total (B)=(1+2)</b>	N.A.	N.A.	N.A.	N.A.	<b>84,000</b>
<b>Total Managerial Remuneration (A+B)</b>		N.A.	N.A.	N.A.	N.A.	<b>5,04,000</b>
<b>Overall Ceiling as per the Act<sup>^</sup></b>		Remuneration to the Directors was within the Ceiling as per schedule V of the Companies Act, 2013.				

<sup>^</sup> Remuneration paid to other Director is within the ceiling provided under Section 197 and Schedule V of the Companies Act, 2013.

\* Ceased as an Independent Director w.e.f. 25-10-2018

@ Appointed as an Additional Independent Director w.e.f. 03-11-2018

<b>C. Remuneration to Key Managerial Personnel other than MD/Manager/WDT:</b>					
<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel</b>			<b>Total (in Rs.)</b>
		<b>Shyam Kapadia* (Company Secretary)</b>	<b>Khushboo Modi@ (Company Secretary)</b>	<b>Shreykumar Sheth (Chief Financial Officer)</b>	
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	88,000	11,032	3,12,000	4,11,032
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission				
	- as % of profit	NA	NA	NA	NA
	- others, specify	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	<b>Total</b>	<b>88,000</b>	<b>12,258</b>	<b>3,12,000</b>	<b>4,11,032</b>

\* Appointed as Company Secretary of the Company w.e.f. 14-05-2018 and Ceased w.e.f. 31-10-2018

@ Appointed as Company Secretary of the Company w.e.f. 02-03-2019

<b>VII) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:</b>					
<b>Type</b>	<b>Section of the Companies Act</b>	<b>Brief Description</b>	<b>Details of Penalty / Punishment / Compounding fees imposed</b>	<b>Authority [RD/NCLT/COURT]</b>	<b>Appeal made, if any (give details)</b>
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-



---

Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By Order of the Board of Directors  
**PURE GIFTCARAT LIMITED**

**SHWET KORADIYA**  
Chairman & Managing Director  
DIN: 03489858

Place: Surat  
Date: 21/08/2019



**“ANNEXURE – 2” TO THE DIRECTORS’ REPORT**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto:

1.	Details of contracts or arrangements or transactions not on an arm’s length basis:			
(a)	Name(s) of the related party and nature of relationship;			N.A.
(b)	Nature of contracts/arrangements/transactions;			N.A.
(c)	Duration of the contracts / arrangements/transactions;			N.A.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any;			N.A.
(e)	Justification for entering into such contracts or arrangements or transactions;			N.A.
(f)	Date(s) of approval by the Board;			N.A.
(g)	Amount paid as advances, if any; and			N.A.
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188.			N.A.
2. Details of material contracts or arrangement or transactions on an arm’s length basis:				
Name of the related Party	Nature of Relationship	Nature, Duration and Salient terms of the contracts or arrangements or transactions including the value, if any.	Date of approval by the Board, if any	Amount paid as advance, if any
Pure ITES Limited	Group Company	(a) The Service Agreement shall be entered into for a period of 10 years, subject to review at every year. (b) The maximum contract price determined between the Companies is Rs. 1.20 Crore per annum. (c) The scope of work shall be Maintenance of Software, Portals, Website applications, Digital Marketing and SEO.	21/08/2018	Nil
Panth Infinity Limited	Group Company  (Mr. Shwet Koradiya is common Director in both the Companies)	(a) The Service Agreement shall be entered into for a period of 10 years, subject to review at every year. (b) The maximum contract price determined between the Companies is Rs. 40 Crore per annum. (c) The scope of work shall be Buying/Selling of Diamonds/Jewellery.	21/08/2018	Nil

By Order of the Board Directors  
**PURE GIFTCARAT LIMITED**

**SHWET KORADIYA**  
Chairman & Managing Director  
DIN: 03489858  
Add: A-404, Simandhar Heights,  
Opp. Regent Residency,  
Pal, Surat – 395009, Gujarat.

Place: Surat  
Date: 21/08/2019



**“ANNEXURE – 3” TO THE DIRECTORS’ REPORT**

**RATIO OF DIRECTORS’ REMUNERATION TO MEDIAN EMPLOYEES’ REMUNERATION  
AND OTHER DISCLOSURE**

[Pursuant to Sub-Section (12) of Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- (i) The percentage increase in remuneration of each Director and KMP during the financial year 2018-19 and ratio of each director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

(Amount. in Rs.)

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2018-19	% increase in Remuneration in the financial year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Shwet Koradiya Chairman & Managing Director	4,20,000	75%	1.35
2	Mr. Brijeshkumar Mali Independent Director	34,000	6.25%	0.11
3	Mr. Paresh Lathiya Independent Director	34,000	6.25%	0.11
4	Mrs. Jenish Bhavsar <sup>^</sup> Independent Director	0	N.A.	0.00
5	Mrs. Niki Doshi <sup>^</sup> Independent Director	16,000	N.A.	0.05
6	Ms. Khushboo Modi <sup>^</sup> Company Secretary	11,032	N.A.	N.A.
7	Mr. Shyam Kapadia <sup>^</sup> Company Secretary	88,000	N.A.	N.A.
8	Mr. Shrey Sheth Chief Financial Officer	3,12,000	20%	N.A.

<sup>^</sup> Directorship/Employment is for part of the period, either in current year or in previous year. Hence, percentage increase in remuneration is not provided.

- (ii) The Median Remuneration of employees of the Company during the financial year was Rs. 3.12 Lakh.
- (iii) In the financial year 2018-19, there was decrease of 7.14% in the median of remuneration of employees.
- (iv) As on 31<sup>st</sup> March, 2019, there were 7 permanent employees on the rolls of the Company.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and points out if there are any exceptional circumstances for



increase in the managerial remuneration: In the last financial year, average percentile increased in the salaries of the employees other than the managerial personnel was 24.60% whereas the increase in managerial remuneration was 75%. The increases in remuneration are as per the policy of the company and are based on their potential, performance and contribution made by the employees in the company.

- (vi) Affirmation that the remuneration is as per the Remuneration policy of the Company: It is hereby affirmed that the remuneration is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.



**“ANNEXURE – 4” TO THE DIRECTORS’ REPORT**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Pure Giftcarat Limited**  
(CIN: L36910GJ2011PLC065141)  
M-40, Second Floor, VIP Plaza,  
Near Shyam Temple, Vesu,  
Surat-395007, Gujarat.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Pure Giftcarat Limited** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2019**, complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I 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, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 (Not applicable as the Company has not issued any securities);



- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable as the Company has not formulated any Employee Stock Option Scheme and Employee Stock Purchase Scheme);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued any debts securities which were listed);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not opted for delisting); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not done any Buyback of Securities).
- (vi) The Company is not attracting any sector specific laws.

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

- (i) Secretarial Standards (with respect to Board and General Meetings) issued by The Institute of Company Secretaries of India (ICSI),
- (ii) The Listing Agreement entered into by the Company with Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

None of the members have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



**I further report that** during the year, the Company has not taken specific actions/decisions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

Date: 21/08/2019  
Place: Surat

**MANISH R. PATEL**  
Company Secretary in Practice  
ACS No.: 19885  
COP No. : 9360

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



**Annexure A**

To,  
The Members,  
**Pure Giftcarat Limited**  
(CIN: L36910GJ2011PLC065141)  
M-40, Second Floor, VIP Plaza,  
Near Shyam Temple, Vesu,  
Surat-395007, Gujarat.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 21/08/2019  
Place: Surat

**MANISH R. PATEL**  
Company Secretary in Practice  
ACS No. : 19885  
COP No. : 9360



## **“ANNEXURE – 5” TO DIRECTORS’ REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **(1) ECONOMIC OVERVIEW, INDUSTRY STRUCTURE AND DEVELOPMENTS:**

During the financial year 2018-19, India continued to grow on the back of strong economic fundamentals. As per the Ministry of Statistics and Programme Implementation, India’s GDP growth stood at 6.8% for 2018-19.

At present, the economy is on a mass formalization drive with the implementation of the Goods and Services Tax (GST). Owing to the introduction of the e-way bill, GST collections have improved. Monthly GST collections have crossed Rs. 1 trillion.

India remains the fastest growing emerging economy in Asia and the world. Indian gems and jewellery industry is one of the largest in the world in global jewellery consumption. The Company is engaged in the Business of Precious Metals, Stones & Jewellery. The trade of designer Diamonds & Jewellery in retail is on increasing trend all over the world. Jewellery is one commodity of saving as well as exhibition of wealth for the Indian people. The Company is in the line of online trading of designer Diamonds & Jewellery. The demand of the same is substantially increased in the recent years. The management expects that these businesses will persist in the coming years & business growth in every year.

The Government of India has declared the Gems and Jewellery sector as a focus area for export promotion. The Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote ‘Brand India’ in the international market.

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world’s largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. Moreover, India exports 75 percent of the world’s polished diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). The Government of India has viewed the sector as a thrust area for export promotion. The Indian government presently allows 100 percent Foreign Direct Investment (FDI) in the sector through the automatic route.

#### **(2) OPPORTUNITY AND THREATS:**

##### **❖ Opportunities**

Diamond and Jewellery volumes in India have remained resilient over the years aided by strong cultural affinity for the yellow metal and stable returns from the asset class. The major growth drivers for the industry are:

##### **➤ Stable asset class**

Gold has historically been one of the most stable assets providing investors best returns over a long-term horizon, compared to other assets.

##### **➤ An essential part of Indian culture**

Jewellery in India has traditionally been an integral part of weddings and festivals. Indian customers often purchase contemporary jewellery as a form of self-expression and this has led to evolution of distinct targeted collections including wedding wear, work wear, regular or daily wear and fashion wear as well as very premium limited edition signature collections.



➤ Increasing affordability

Rapidly expanding economy, increasing urban per capita income and government's focus to double farmers' income by 2022, huge opportunities will open up with increasing affordability of this segment.

➤ Rising female workforce

Better job opportunities, rising demand for skilled and professional workforce and rapid urbanization are leading to increasing share of women in workforce. And by virtue of women being the primary consumers of jewellery, their increasing entry into workforce and disposable income are likely to drive the demand, going forward.

➤ E-commerce

With the rising internet penetration in the country, e-commerce is gaining significant boost with rising consumer confidence along with the advantage of ease in shopping, lucrative discounts, access to wider variety, free shipping, and quality assurance. Though, an online sale through online channel is currently miniscule, it is gaining importance facilitating jewellers in reaching out to more customers.

➤ Government support

Realizing the sector's potential, the Government has identified it to be a focused area for export promotion. Adopting policies of 'Make in India' and 'Design in India' there is a strong intent to push growth. The Government has also undertaken various measures to promote investments and upgrade technology & skills to promote 'Brand India' in the international market.

❖ **Threats**

➤ Fast-changing fashion trends

Diamond and Jewellery being a vital fashion and lifestyle statement, demands the players to be more agile, and responsive to the constantly evolving trends and consumer preferences.

➤ Regulatory framework

Changes in regulations and stringent compliances may cause temporary blip in sales during the transition period.

➤ Liquidity crisis

The industry is highly capital intensive in nature with long working capital cycles, since the jewellery conversion from gold typically requires 15 days. Strength of the balance sheet and access to easy credit is often required to facilitate and sustain ease in operations.

**(3) OUTLOOK ON RISK AND CONCERNS:**

The Company is of the view that most of the regulatory or policy un-certainties have already played out and with a stable GST, things would only improve in the long term. Further the organized/branded market may see better gains because of indirect tax reforms however there are certain concerns that may impact the Company-

1. The Company's ability to execute its strategy.



## 2. Consumer sentiments and economic stability in the Country.

Further, Your Company is exposed to a number of risks such as economic, regulatory, taxation and environmental risks. Following can be some of the risk and concern the Company needs to be keep in mind:

- The largely unorganized structure of the market can affect the systematic functioning of the Company.
- Likely opening up of the economy, which can be a double-edged sword. The Diamond market in India is heavily influenced by the US Markets and other Country's Market.
- Increasing competition among the Indian Exporters in this industry.

Some of the risks that may arise in its normal course of its business and impact its ability for future developments include inter-alia, credit risk, liquidity risk, counterparty risk, regulatory risk, commodity inflation risk, currency fluctuation risk and market risk. Your Company has chosen business strategy of focusing on certain key products and geographical segments are also exposed to the overall economic and market conditions. Accordingly, your Company has established a framework and process to monitor the exposures to implement appropriate measures in a timely and effective manner.

### **(4) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorised, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. An extensive programme of internal audits and management reviews supplements the process of internal financial control framework. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal financial control framework has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

In addition, the Company has identified and documented the risks and controls for each process that has a relationship to the financial operations and reporting. The Company also has an Audit Committee to interact with the Statutory Auditors, Internal Auditors and Management in dealing with matters within its terms of reference. This Committee mainly deals with accounting matters, financial reporting and internal controls.

#### **➤ Discussion on financial performance with respect to operational performance**

The Total Income of your Company for the current year was decreased to Rs. 13,95,00,580.27/- as against Total Income of Rs. 24,14,91,046.39/- of the previous year. Also, the Company's Net Profit After Tax has been decreased to Rs. 6,09,013.88/- for the current year as against the Net Profit After Tax of Rs. 12,20,951.64/- of the previous year

### **(5) HUMAN RESOURCES & INDUSTRIAL RELATIONS:**

The Company's human resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company acknowledges that its principal asset is its employees. The expertise of the management team, the professional training provided to the staff, their personal commitment and their spirit of teamwork together enhance the Company's net worth. The Company has taken various steps for strengthening organizational competency through the involvement and development of employees as well as installing effective systems for improving their productivity and accountability at functional levels. Ongoing in-house and external training is provided to employees at all levels to update their knowledge and upgrade



their skills and abilities. The effort to rationalize and streamline the workforce is a continuous process. The industrial relations scenario has remained harmonious throughout the year.

The total numbers of employees as on 31<sup>st</sup> March, 2019 were 7 (Seven).

**(6) DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIO:**

- i. Inventory Turnover Ratio decreased by 49.24% due to decline in total Turnover of the Company.
- ii. Debtors Turnover Ratio decreased by 32.43% due to increase in debtors of the Company.
- iii. Current Ratio decreased by 33.31% due to increase in Current liabilities of the Company.
- iv. Return on Net Worth of the Company was decreased by 50.12% due to higher net profit after tax in previous year compared to the current year.

**(7) CAUTIONARY STATEMENT:**

This document contains forward-looking statements about expected future events, financial and operating results of the Company. These forward-looking statements are based on assumptions and the Company does not guarantee the fulfillment of the same. These statements may be subject to risks and uncertainties. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Pure Giftcarat Limited's Annual Report, 2018-19.

By Order of the Board of Directors  
**PURE GIFTCARAT LIMITED**

Place: Surat  
Date: 21/08/2019

**SHWET KORADIYA**  
Chairman & Managing Director  
DIN: 03489858



---

**“ANNEXURE – 6” TO THE DIRECTORS’ REPORT**

**CORPORATE GOVERNANCE REPORT**

**A. COMPANY’S CORPORATE GOVERNANCE PHILOSOPHY :-**

Corporate Governance at “PURE GIFTCARAT LIMITED (PGL)” is a journey to constantly achieve targets, value creations at the same time following best emerging practices, standards and policies. The Company’s philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, Customers, vendors, investors and the society at large. Your Company strives to ensure that best Corporate Governance practices are identified, adopted and consistently followed. Company’s philosophy on Corporate Governance is to ensure that the:

- (i) Board and Top Management of the Company are fully apprised of the Company’s affairs which are aimed at assisting them in the efficient conduct of the Company so as to meet Company’s obligation to the Shareholders.
- (ii) Board exercises its fiduciary responsibilities towards Shareholders and Creditors so as to ensure high accountability.
- (iii) To protect and enhance Shareholders’ value.
- (iv) Disclosures of every information to the present and potential Investors are maximized.
- (v) Decision making process in the Company is transparent and is backed by documentary evidence.

**B. BOARD OF DIRECTORS:-**

- (i) As on 31<sup>st</sup> March, 2019, your Company has 4 (Four) Directors on the Board. Out of the 4 (Four) Directors, 3 (Three) Directors are Non-Executive Independent Directors and 1 (One) director is Promoter Executive Director. The profiles of the Directors can be found on (<http://www.puregiftcarat.com/boardofdirectors.html>). The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- (ii) None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2019 have been made by the Directors. None of the Directors are related to each other.
- (iii) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.
- (iv) **Composition:**

In compliance with the applicable provisions of Companies Act, 2013 and the SEBI Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board represents a desired mix of experience, knowledge and gender. The Board of Directors of the Company is constituted with



optimum combination of 1(One) Managing Director and 3 (Three) Independent Directors, including 1 (one) Woman Director. The half of the Board has Non Executive Independent Directors.

**(v) Number of Board Meetings:**

During the year under review, 4 (Four) Board Meetings were held by the Company on the below mentioned dates as under:

<b>1.</b>	14 <sup>th</sup> May, 2018	<b>2.</b>	21 <sup>st</sup> August, 2018
<b>3.</b>	2 <sup>nd</sup> November, 2018	<b>4.</b>	2 <sup>nd</sup> March, 2019

The 7<sup>th</sup> Annual General Meeting of the Company was held on 20<sup>th</sup> September, 2018.

**(vi) Details of attendance at the Board Meetings, Last Annual General Meeting and Shareholding of each Director are as follows:**

Name	Designation	Category	Attendance Particulars		No. of Equity Shares held as on 31.03.2019
			Board Meetings	Last AGM	
Mr. Shwet Koradiya	Chairman & Managing Director	ED	4	Yes	Nil
Mr. Brijeshkumar Mali	Director	NEID	4	Yes	Nil
Mr. Paresh Lathiya	Director	NEID	4	Yes	Nil
Mrs. Niki Doshi *	Director	NEID	2	Yes	Nil
Mrs. Jenish Bhavsar@	Director	NEID	0	N.A.	Nil

*ED – Executive Director*

*NEID – Non Executive Independent Director*

\* Ceased as Non-Executive Independent Director w.e.f. 25/10/2018.

@Appointed as an Additional Independent Director w.e.f. 03/11/2018.

The necessary quorum was present for all the meetings.

Name of other listed entities where directors of the Company are Directors and the category of Directorship.

Name of the Director	Name of other Listed Companies in which the concerned Director is a Director	Category of Directorship
Mr. Shwet Koradiya	Panth Infinity Limited	Non-Executive Promoter Director
Mr. Brijeshkumar Mali	--	--
Mr. Paresh Lathiya	--	--
Mrs. Jenish Bhavsar	--	--



**(vii) Number of other Companies or Committees in which a Director is a Director/Member/Chairman:**

Name of the Director	No. of other Public Limited Companies in which Director (other than PGL) \$\$	No. of other Private Limited Companies in which Director	No. of Committees in which Member (other than PGL) \$\$	No. of Committees in which Chairman (other than PGL) \$\$
Mr. Shwet Koradiya	1	1	--	--
Mr. Brijesh kumar Mali	1	--	2	2
Mr. Paresh Lathiya	--	--	--	--
Mrs. Jenish Bhavsar @	--	--	--	--

@Appointed as an Additional Independent Director w.e.f. 03/11/2018

\$\$ In accordance with the Regulation 26(1) of the Listing Regulations, The number of directorship excludes directorship of private companies, foreign companies and companies under Section 8 of the Companies Act, 2013. Membership/Chairmanship of only Audit Committees and Stakeholders' Relationship Committees of all Public Limited Company(excluding Pure Giftcarat Limited) have been considered.

- None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees across all the Public Companies in which they are Directors. All the Directors have made necessary disclosures in this regard to the Company.
- During the year 2018-19, the Company has provided minimum information to the Board as required under Part A of Schedule II of Regulation 17(7) of the Listing Regulations pertaining to Corporate Governance.
- The Agenda for the Board, General as well as Committee Meetings together with the appropriate supporting documents and relevant information were circulated in advance of the meetings to enable the Board to take the informed decisions.
- The Company has not entered into any transactions during the year under report with Promoter Directors, Senior Management Staff etc. that could have potential conflict of interest with the Company at large.
- As on 31<sup>st</sup> March, 2019, none of the Directors are related with each other.

**(viii) Independent Directors:**

➤ **Appointment & Criteria of Selection of Independent Directors:**

Pursuant to the provisions of Companies Act, 2013 & SEBI Listing Regulations, the Nomination and Remuneration Committee considers the appointment of such a person as an Independent Director on the Board of the Company, who has an independent standing in his/her respective field or profession and possess the required skill to contribute to the maximum improvement and growth of the Company. The factors such as Qualification, positive attributes, expertise, skills, etc. are considered by the Committee for the selection of an Independent Director, in accordance to the Company's policy. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. The template of the letter of appointment is available on the Company's website at the web link <http://www.puregiftcarat.com/investorrelations>.



➤ **Familiarization Program to Independent Directors:**

As per Regulation 25 (7) of the Listing Regulations, Familiarisation Program has been carried out by the Company for the Independent Directors details of which has been posted on Company's website at the web link <http://www.puregiftcarat.com/investorrelations>.

➤ **Meeting of Independent Directors:**

During the year 2018-19, the separate meeting of the Independent Directors was held on 2<sup>nd</sup> March, 2019, as required under Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of the Listing Regulations without the presence of non-independent directors and other members of the management.

The details of attendance at the meeting are given below:

Name	Designation	No. of Meetings attended
Mr. Brijeshkumar Mali	Chairman	1
Mr. Paresh Lathiya	Member	1
Mrs. Jenish Bhavsar	Member	0

➤ **Declaration by Independent Directors and Confirmation of the Board:**

All the Independent Directors provide declaration about their independence on regular basis. As required, the terms and conditions of their appointment are disclosed on the website of the Company. None of the Independent Director is a Director in any other Company in excess of the prescribed limit.

The Board of Directors also confirmed that the Independent Directors of the Company has fulfilled all the conditions specified in Listing Regulations and they are independent of the Management.

➤ **Resignation by Independent Directors:**

During the year, Mrs. Niki Doshi had resigned before expiry of her term from the post of an Independent Director of the Company due to their pre-occupation in other assignments.

**(ix) Matrix of skills/expertise/competencies of the Board of Directors:**

The Board of the Company comprises of qualified members with the required skills, competence and expertise for effective contribution to the Board and its Committee. The Board members are committed to ensure that the Company is in compliance with the highest standards of Corporate Governance.

The table below summarizes the list of core skills/ expertise/ competencies identified by the Board of Directors for effectively conducting the business of the Company and are available with the Board. The table also mentions the specific areas of expertise of individual Director against each skill/ expertise/ competence:

Core skills/ expertise/ competencies	Name of Director
Operations	Mr. Shwet Koradiya
Finance	Mr. Shwet Koradiya Mr. Brijesh Mali
Legal	Mr. Shwet Koradiya Mr. Brijesh Mali Mr. Paresh Lathiya
Compliance/ Corporate Governance	Mr. Shwet Koradiya Mr. Brijesh Mali



Business Development	Mr. Shwet Koradiya Mrs. Jenish Bhavsar
Information Technology	Mr. Shwet Koradiya Mrs. Jenish Bhavsar

**(x) Code of Conduct:**

The Company has always encouraged and supported ethical business practices in personal and corporate behaviour by its directors and employees. The Company has framed a Code of Conduct for Board Members and Senior Management Staff of the Company. The Board Members and Senior Management Staff have affirmed compliance with the said Code of Conduct. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. Both the Codes are posted on Company's website [www.puregiftcarat.com](http://www.puregiftcarat.com).

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by the Managing Director/Chief Financial Officer forms part of this report.

Directors and Senior Management of the Company have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

**(xi) Code of Conduct for Prevention of Insider Trading:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading in compliance with the SEBI (Prohibition & Insider Trading) Regulation, 2015 with a view to regulate the trading in securities by the Directors and Designated Employees of the Company. The Code requires preclearance for dealing in the Company's shares and prohibits the purchase or sale of shares of the Company by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the 'Trading Window' is closed. The Board is responsible for implementation of the code. All Directors and the designated Employees have confirmed compliance with the code. The detailed Code of Conduct for Prevention of Insider Trading is posted on Company's website at the web link <http://www.puregiftcarat.com/investorrelations>.

**(xii) Note on Directors seeking Appointment/Re-appointment:**

The Notes on Directors seeking Appointment/Re-appointment as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 of the General Meeting are enclosed as an annexure with the Notice of 8<sup>th</sup> Annual General Meeting of the Company.

**(xiii) Board and Director's Evaluation and Criteria for evaluation:**

During the year, the Board has carried out an annual evaluation of its own performance, of its Directors, as well as of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria and procedure for the performance evaluation process for the Board, its Committees and Directors. The criteria for Board evaluation include inter alia, degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.



The criteria for evaluation of Individual Directors include aspects such as attendance and contribution at Board/Committee Meetings and guidance/support to the Management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to KMPs.

The criteria for evaluation of the Committees of the Board include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

### **C. COMMITTEES OF THE BOARD:-**

The Board Committees play a crucial role in the governance structure of the Company. The Board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information or approval.

During the financial year, the Board has accepted the recommendations of Committees on matters where such a recommendation is mandatorily required. There have been no instances where such recommendations have not been considered.

The Board has currently established the following 3 (Three) statutory and non-statutory Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

#### **I. Audit Committee:**

- (i) The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors of the Company and oversees the financial reporting process.
- (ii) The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.
- (iii) The terms of reference of the Audit Committee are broadly as under:
  - Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and reliable;
  - Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
  - Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
  - Reviewing, with the management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
    - Matters disclosed in the Director's Responsibility Statement are required to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
    - Changes in accounting policies and practices, if any, and reasons for the same.
    - Major accounting entries involving estimates based on the exercise of judgment by management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements.



- Disclosure of any Related Party Transactions.
  - Qualifications in the draft Audit Report.
- Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval;
  - Reviewing, with the management, the Statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the Statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - Review and monitor the Auditors' Independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the Company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Examination of the financial statement and the auditors' report thereon;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of Internal Financial Controls and Risk Management Systems;
  - Establish a vigil mechanism for Directors and Employees to report genuine concerns in such manner as may be prescribed;
  - The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
  - The Audit Committee shall review the information required as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iv) The Audit Committee invites such Executives as it considers appropriate (particularly the head of the finance function), representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary of the Audit Committee and remain present in its Meetings.
- (v) During the financial year 2018-19, the Audit Committee met 4 (Four) times on 14<sup>th</sup> May, 2018, 21<sup>st</sup> August, 2018, 2<sup>nd</sup> November, 2018 and 2<sup>nd</sup> March, 2019, and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.
- (vi) The Chairman of the Audit Committee has attended 7<sup>th</sup> AGM held on 20<sup>th</sup> September, 2018.
- (vii) The Minutes of all the Audit Committee Meetings were noted at the respective Board Meetings of the Company.
- (viii) The details of composition of the Committee and their attendance at the meetings are given below:

Name	Designation	Category	No. of Meetings attended
Mr. Brijeshkumar Mali	Chairman	NEID	4
Mr. Paresb Lathiya	Member	NEID	4
Mrs.Niki Doshi@	Member	NEID	2
Mrs. Jenish Bhavsar#	Member	NEID	0

*NEID: Non-Executive Independent Director*



@ Ceased as Member w.e.f. 25/10/2018.  
# Appointed as Member w.e.f. 03/11/2018.

## II. Nomination and Remuneration Committee:

- (i) The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.
- (ii) The broad terms of reference of the Nomination and Remuneration Committee are as under:
  - Recommend to the Board, the setup and composition of the Board and its Committees, including the “*formulation of the criteria for determining qualifications, positive attributes and Independence of a Director.*” The Committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
  - Recommend to the Board, the appointment or reappointment of Directors.
  - Devise a policy on Board diversity.
  - Recommend to the Board, appointment of Key Managerial Personnel (“KMP” as defined by the Act) and Executive team members of the Company (as defined by this Committee).
  - Carry out evaluation of every Director’s performance and support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and Individual Directors. This shall include “*Formulation of criteria for evaluation of Independent Directors and the Board*”. Additionally the Committee may also oversee the performance review process of the KMP and executive team of the Company.
  - Recommend to the Board, the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of the employees.
  - On an annual basis, recommend to the Board, the remuneration payable to the Directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
  - Oversee familiarisation programmes for Directors.
  - Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and Executive team).
  - Provide guidelines for remuneration of Directors on material subsidiaries.
  - Recommend to the Board on voting pattern for appointment and remuneration of Directors on the Boards of its material subsidiary companies.
  - Performing such other duties and responsibilities as may be consistent with the provisions of the Committee charter.
- (iii) During the Financial year 2018-19, 4 (Four) meetings of the Nomination and Remuneration Committee were held on 14<sup>th</sup> May, 2018, 21<sup>st</sup> August, 2018, 2<sup>nd</sup> November, 2018 and 2<sup>nd</sup> March, 2019.
- (iv) The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.
- (v) The Minutes of Nomination and Remuneration Committee meeting were noted at the Board Meeting.
- (vi) The composition of the Committee and their attendance at the meetings are given below:



Name	Designation	Category	No. of Meeting attended
Mr. Brijeshkumar Mali	Chairman	NEID	4
Mr. Paresh Lathiya	Member	NEID	4
Mrs. Niki Doshi @	Member	NEID	2
Mrs. Jenish Bhavsar#	Member	NEID	0

*NEID: Non-Executive Independent Director*

@ Ceased as Member w.e.f. 25/10/2018.

# Appointed as Member w.e.f. 03/11/2018.

(vii) Remuneration of Directors :

Your Company has decided to pay Sitting Fees of Rs. 2,000/- per meeting of Board and Committee to its Non-Executive Independent Directors for attending meetings of the Board and/or others Committees in the Financial Year 2018-19. Accordingly, your Company has paid Sitting Fees to its Non-Executive Independent Directors. Your Company has also paid remuneration of Rs. 50,000/- p.m. to its Executive Director. The Details of Remuneration/Sitting fees paid to Executive and Non-Executive Directors are as under:

(Amount in Rs.)

Name of Director	Salary (Basic & DA)	Sitting Fees	Allowances including HRA, Leaves Travel & Special Allowances	Commission for the F.Y. 2017-18	Contribution to Provident and other Funds	Stock Option	Total	Tenure
Mr. Shwet Koradiya (Chairman & Managing Director)	4,20,000	-	-	-	-	-	4,20,000	Upto 30 <sup>th</sup> June, 2022
Mr. Brijeshkumar Mali (Independent Director)	-	34,000	-	-	-	-	34,000	Upto 30 <sup>th</sup> June, 2021
Mr. Paresh Lathiya (Independent Director)	-	34,000	-	-	-	-	34,000	Upto 30 <sup>th</sup> June, 2021
Mrs. Niki Doshi (Independent Director)	-	16,000	-	-	-	-	16,000	Ceased w.e.f. 25 <sup>th</sup> October, 2018
Mrs. Jenish Bhavsar (Additional Independent Director)	-	-	-	-	-	-	-	Upto 2 <sup>nd</sup> November, 2023



(viii) Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

(ix) Remuneration Policy:

The key principles governing the Company's remuneration Policy are as follow:

➤ **Managing Director/(s), Whole time Director, Non – Executive and Independent Directors:**

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Executive and Non - Executive Directors. This will be then approved by the Board and Shareholders. Prior approval of Shareholders will be obtained wherever applicable.

The Company shall pay remuneration by way of salary, perquisites and allowances (fixed component) to Managing Director(s), Whole Time Director. Remuneration is paid in accordance with the statutory provisions of the Companies Act, 2013 alongwith the ceiling approved by the Shareholders.

The remuneration shall be paid to the Directors keeping in view the industry benchmark and the relative performance of the Company to the industry performance.

➤ **CEO, CFO, CS and Senior management personnel:**

The remuneration of CEO, CFO, CS and Senior Management largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

### III. Stakeholders' Relationship Committee:

- (a) The Stakeholders' Relationship Committee is constituted in accordance with the provisions of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.
- (b) The broad terms of reference of the Stakeholders' Relationship Committee are as under:
  - Consider and resolve the grievances of security holders of the Company including Redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other security holders' related matters.
  - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.



- (x) During the Financial Year 2018-19, 4 (Four) meetings of the Stakeholders' Relationship Committee were held on 14<sup>th</sup> May, 2018, 21<sup>st</sup> August, 2018, 2<sup>nd</sup> November, 2018 and 2<sup>nd</sup> March, 2019.

The composition of the Committee and their attendance at the meetings are given below:

Name	Designation	Category	No. of Meeting attended
Mr. Brijeshkumar Mali	Chairman	NEID	4
Mr. Paresh Lathiya	Member	NEID	4
Mrs. Niki Doshi @	Member	NEID	2
Mrs. Jenish Bhavsar#	Member	NEID	0

*NEID: Non-Executive Independent Director*

@ Ceased as Member w.e.f. 25/10/2018.

# Appointed as Member w.e.f. 03/11/2018.

Mr. Shyam Kapadia, Company Secretary of the Company act as a Company Secretary and Compliance Officer of the Company upto the 31<sup>st</sup> October, 2018. In absence of Company Secretary, the Board has appointed Mr. Shwet Koradiya to look into the compliance matters. However, the Company in its Board Meeting held on 2<sup>nd</sup> March, 2019 has appointed Ms. Khushboo Modi as Company Secretary & Compliance Officer of the Company.

During the year, the Company has not received any complaints from the Shareholders of the Company. There were no outstanding complaints as on 31/03/2019.

#### **D. GENERAL BODY MEETING: -**

##### **(i) Date, Time and Venue where last three Annual General Meetings were held:**

AGM for the Financial Year ended	Date	Time	Venue	Special Resolution Passed
2017-18	20 <sup>th</sup> September, 2018	3:00 P.M.	M-40, Second Floor, Vip Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat	No special resolution was passed in this meeting.
2016-17	9 <sup>th</sup> September, 2017	3:00 P.M.	Plot-828/829, 3 <sup>rd</sup> Floor, Office-3, Shree Kuberji Complex, Athugar Street, Nanpura Main Road, Surat-395001, Gujarat.	No special resolution was passed in this meeting.
2015-16	30 <sup>th</sup> September, 2016	11:00 A.M.	Plot-828/829, 3 <sup>rd</sup> Floor, Office-3, Shree Kuberji Complex, Athugar Street, Nanpura Main Road, Surat-395001, Gujarat.	No special resolution was passed in this meeting.

##### **(ii) Extra-ordinary General Meeting:**

During the year, No Extra-ordinary General Meeting was held by the Company.



**(iii) Postal Ballot**

- Whether any Special Resolution passed last year through Postal Ballot : No
- Whether any Special Resolution is proposed to be conducted through Postal Ballot : No

**E. DISCLOSURES: -**

- (i) Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of the Company at large: NIL  
Transactions with the related parties are disclosed in the notes to the accounts forming part of the accounts.
- (ii) The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website at the web link <http://www.puregiftcarat.com/investorrelations>.
- (iii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by SEBI, ROC, Stock Exchange or any statutory authority, on any matter related to capital markets, during the last 3 (Three) financial years: NIL

- (iv) The Vigil Mechanism of the Company as required u/s 177 (9) of the Companies Act, 2013 and a Whistle Blower Policy of the Company, as required under Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is in place. The Directors and Employees can report concerns about any unethical behaviour, actual or suspected fraud or violation within the Company. The said mechanism provides adequate safeguards against victimization and direct access to the Chairman of the Audit Committee of the Company, in exceptional cases.

Vigil Mechanism/Whistle Blower Policy is uploaded on the Company's website at the web link <http://www.puregiftcarat.com/investorrelations>. No personnel has been denied access to the audit committee.

- (v) The Company has also adopted Policy on determination of materiality of Information Events, Policy for Preservation of documents and policy on Archival of Records and same has been disclosed on the Company's website at the web link <http://www.puregiftcarat.com/investorrelations>.
- (vi) Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has received Certificate from Chairman and Managing Director and CFO for the Financial Year ended 31<sup>st</sup> March, 2019.
- (vii) The Company has complied with all mandatory requirements of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (viii) The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year ended 31<sup>st</sup> March, 2019.
- (ix) The Company has complied with the requirements of sub-paras (2) to (10) of Part C of Schedule V (Corporate Governance Report) of the Listing Regulations.
- (x) The company has complied with the corporate governance requirements of Regulation 17 to 27 of the Listing Regulations and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.
- (xi) The Company has not adopted non-mandatory requirements of the Listing regulations.



- (xii) The Company has no subsidiary, so policy on material subsidiary is not applicable.
- (xiii) The Board has accepted all recommendation of all its Committees of the Boards in the financial year ended 31<sup>st</sup> March, 2019.
- (xiv) Total fees for all services paid by the Company to M/s. Kansariwala & Chevli, Statutory Auditor:- Rs.1,31,250/-.

#### **F. MEANS OF COMMUNICATIONS: -**

Your Company has listed on SME Platform of BSE Limited on 8<sup>th</sup> May, 2017. Hence, The Half Yearly and Annual Financial results of the Company were not required to be published in newspapers. However, the same is posted on the Company's website [www.puregiftcarat.com](http://www.puregiftcarat.com).

The Company has also provided an exclusive E-Mail address [info@puregiftcarat.com](mailto:info@puregiftcarat.com) for Communication by Investors.

During the year, the Company has not made any presentation to institutional investors or to the analysts.

#### **G. GENERAL SHAREHOLDERS INFORMATION: -**

1.	<b>AGM : Date, Time and Venue</b>	Friday, 27 <sup>th</sup> September, 2019, 3:00 p.m. at M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat
2.	<b>Financial Year (Proposed)</b>	Financial Year 2019-20 consists of 12 (Twelve) months starting from 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020.
3.	<b>Dividend Payment Date</b>	The Company has not declared any Dividend in the Financial Year 2018-19.
4.	<b>Listing on Stock Exchange</b>	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra
5.	<b>Payment of Annual Listing Fees</b>	The Listing fees for Financial Year 2019-20 are paid to the Stock Exchange. The custodial fees are paid to the National Securities Depository Ltd. (NSDL) and the Central Depository Securities Ltd. (CDSL) for the Financial Year 2019-20.
6.	<b>Stock Code</b>	BSE: 540492
7.	<b>Security ISIN No.</b>	INE594W01026
8.	<b>Cut-off Date</b>	20 <sup>th</sup> September, 2019
9.	<b>Date of Book Closure</b>	The Company's Register of Members and Share Transfer Books shall remain closed from 21 <sup>st</sup> September, 2019 to 27 <sup>th</sup> September, 2019. (both days inclusive).
10.	<b>Investor Services – Queries / Complaints during the period ended</b>	During the period from 1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019, no queries/complaints/requests were received by the Company from the Shareholders and Investors.
11.	<b>Company's Registration Number</b>	CIN of the Company is L36910GJ2011PLC065141.
12.	<b>Registered Office</b>	M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat.
13.	<b>Company's Website</b>	<a href="http://www.puregiftcarat.com">www.puregiftcarat.com</a>
14.	<b>E-mail Address</b>	<a href="mailto:info@puregiftcarat.com">info@puregiftcarat.com</a>

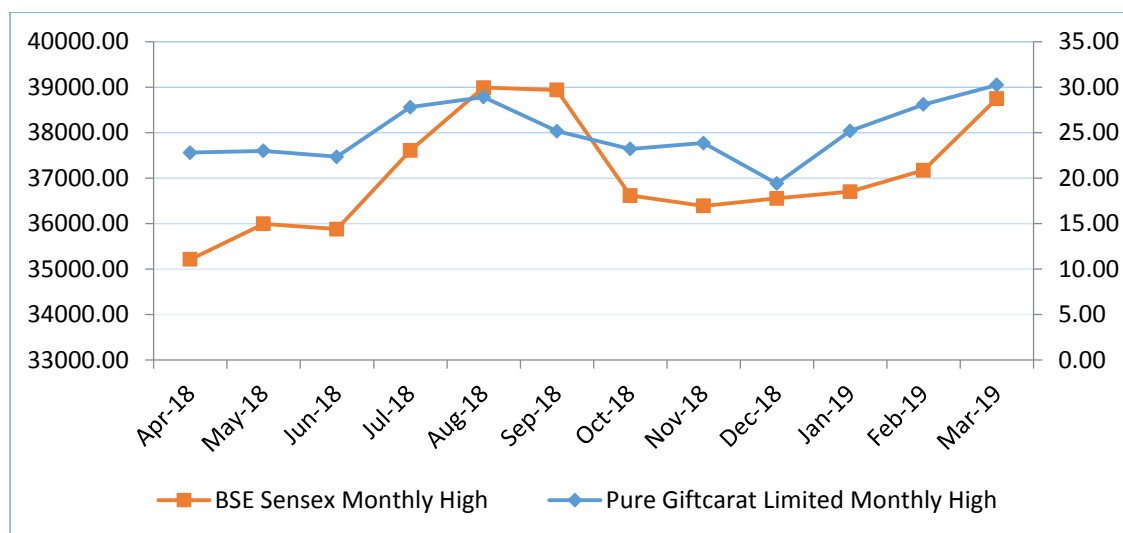
#### **15. Market Share Price data (at BSE):-**

Equity Shares of the Company are listed at BSE Limited on 8<sup>th</sup> May, 2017 under BSE SME platform. The Performance of our stock in the financial year 2018-19 is tabulated below:



Month	BSE	
	Month's High Price (Rs.)	Month's Low Price (Rs.)
March-2018	22.80	13.29
April-2018	23.00	21.80
May-2018	22.35	20.15
June-2018	27.80	22.05
July-2018	28.90	22.25
August-2018	25.15	22.50
September-2018	23.20	22.40
October-2018	23.85	18.00
November-2018	19.40	17.85
December-2018	25.20	18.30
January-2019	28.10	24.95
February-2019	30.25	27.95
March-2019	37.00	28.30

**16. Share Price Performance compared with broad based indices :-**



**17. Distribution of Shareholding as on 31-03-2019:-**

Category	No. of Shareholders	% of total Shareholders	No. of Shares held	% of Shareholding
1 - 5000	1	0.4386	26	0.00
40001-50000	2	0.8772	10000	0.05
50001 - 100000	91	39.9123	909804	4.21
100001 & above	134	58.7719	20695170	95.74
<b>Total</b>	<b>228</b>	<b>100.00</b>	<b>2,16,15,000</b>	<b>100.00</b>
	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
<b>Physical Mode</b>	9	3.95	8,86,250	4.10
<b>Electronic</b>	219	96.05	2,07,28,750	95.90



<b>Mode</b>				
<b>Total</b>	<b>228</b>	<b>100.00</b>	<b>2,16,15,000</b>	<b>100.00</b>

**18. Shareholding Pattern as on 31-03-2019:-**

Category Code	Category	No. of Shareholders	No. of Shares	% of total Share capital
<b>(A)</b>	<b>Shareholding Promoter &amp; Promoter Group</b>			
(1)	Indian			
	- Individuals / Hindu Undivided Family	1	1,20,75,000	55.86
	- Bodies Corporate	1	15,75,000	7.29
(2)	Foreign	0	0	0.00
	<b>Sub-Total (A)</b>			
<b>(B)</b>	<b>Public Shareholding</b>			
(1)	Institutions	0	0	0.00
(2)	Non-Institutions			
	- Individuals	190	6631536	30.68
	- Hindu Undivided Family	29	8,92,470	4.13
	- N. R. I.	0	0	0.00
	- Clearing Members	5	385994	1.79
	- Other Bodies Corporate	2	55000	0.25
	<b>Sub-Total (B)</b>			
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts has been issued</b>	0	0	0.00
	<b>Sub-Total (C )</b>			
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>228</b>	<b>2,16,15,000</b>	<b>100.00</b>

**19. Dematerialization of Shares & Liquidity:-**

As on 31<sup>st</sup> March, 2019, Equity Shares comprising 95.97% of the Company's Equity Share Capital have been dematerialised.

**20. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:-**

The Company has not issued GDRs/ADRs as on 31<sup>st</sup> March, 2019. No Warrants/Convertible Instruments were outstanding for conversion as on 31<sup>st</sup> March, 2019.

**21. Registrar & Share Transfer Agent :-**

<b>Bigshare Services Private Limited</b>	
<b>Registered Office Address</b> E -2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri (East), Mumbai-400072, Maharashtra Phone No.: 022 – 40430200, Fax: 022 - 28475207	<b>Corporate Office Address</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra Phone No.: 022 –62638200, Fax: 022 - 62638299



Email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>	Email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
Share Transfer and Dematerialisation System	The complete work related to share transfer and dematerialisation is carried out by the abovestated RTA. The Managing Director and the Company Secretary of the Company individually has been authorized to approve Transfer, Transmission, Demat request and other request to process the said requests expeditiously. The summary of share transfer and related activities is presented by the Company Secretary to the Board at its meeting.

**22. Address for Correspondence for Shareholders:-**

Shareholder correspondence should be addressed to the Company's Registrar & Share Transfer Agent, Bigshare Services Private Limited at E -2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai-400072, Maharashtra or Corporate Office situated at 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra or Phone No.: 022 – 62638200, Fax: 022 – 62638299. Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com).

Shareholders may also write to or contact the Company Secretary at the Registered Office at the following address for any assistance:

**Ms. Khushboo Modi**  
Company Secretary & Compliance Officer  
Pure Giftcarat Limited,  
M-40, Second Floor, VIP Plaza,  
Near Shyam Temple, Vesu, Surat-395007, Gujarat  
Phone No.: 0261-2600343, Mob. : +91-7043999030  
Email: [info@puregiftcarat.com](mailto:info@puregiftcarat.com)

**23. Credit Rating:-** Company is not required to obtain Credit Rating.

**24. Reconciliation of Share Capital Audit:-**

In keeping with the requirement of the SEBI, an audit by a Qualified Practicing Company Secretary have been carried out to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The said audit confirms that the total issued/paid up capital tallies with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**25. Certificate from Practicing Company Secretary for non-qualification of directors:-**

Certificate from Practicing Company Secretary regarding non-qualifications of Directors annexed as **Annexure - C**.

**26. Disclosures in relation to the sexual harassment of women at workplace (prevention, prohibition and redressal) act, 2013:-**

The Company has duly constituted Internal Complaints Committee pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, the Company had not received any complaints and no complaints were pending as on 31<sup>st</sup> March, 2019.



**27. Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account:**

Not Applicable

**28. Discretionary Requirements**

**i) Shareholders Rights**

Half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company.

**ii) Audit Qualifications**

There is no audit qualification. Every endeavour is made to make the financial statements without qualification.

**iii) Reporting of Internal Auditors**

Reports of Internal Auditors are placed before the Audit Committee for its review.

**29. Auditors' Certificate on Corporate Governance:-**

The Auditors' Certificate on Compliance with Corporate Governance, as stipulated under Schedule V-E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company for financial year 2018-19.

By order of the Board of Directors  
**For PURE GIFTCARAT LIMITED**

Place: Surat  
Date: 21/08/2019

**SHWET KORADIYA**  
Chairman & Managing Director  
DIN: 03489858



**Annexure – A**

**DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT**

To,  
The Members of  
**Pure Giftcarat Limited**

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31<sup>st</sup> March, 2019. These Codes are available on the Company's website.

By order of the Board of Directors  
**For PURE GIFTCARAT LIMITED**

Place: Surat  
Date: 21/08/2019

**SHWET KORADIYA**  
Chairman & Managing Director  
DIN: 03489858



**Annexure – B**

**CEO / CFO CERTIFICATION**

To,  
The Board of Directors of  
**Pure Giftcarat Limited**

We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement of the Company for the financial year ended 31<sup>st</sup> March, 2019 and that to the best of our knowledge and belief, we state that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) 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) It is to the best of our knowledge and belief that no transactions entered into by the Company during the years 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 Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We accept responsibility 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 and we have disclosed to the Auditors and Audit Committee, the deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have taken or propose to take to rectify these deficiencies.
- e) We have indicated to the auditors and Audit committee regarding the significant changes, if any,:
  - (i) in internal control over financial reporting during the year;
  - (ii) in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For PURE GIFTCARAT LIMITED**

**SHWET KORADIYA**  
Chairman & Managing Director  
DIN: 03489858

**SHREYKUMAR SHETH**  
Chief Financial Officer  
PAN: EILPS2829J

Place: Surat  
Date: 21/08/2019



Annexure – C

**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  
**Pure Giftcarat Limited**  
M-40, Second Floor, VIP Plaza,  
Near Shyam Temple, Vesu,  
Surat-395007, Gujarat.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Pure Giftcarat Limited having CIN L36910GJ2011PLC065141 and having Registered office at M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat (hereinafter referred to as 'the Company'), produced before me 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 my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I 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, 2019 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 the Company (as per MCA records)
1	Mr. Shwet Koradiya	03489858	26/04/2011
2	Mr. Brijesh Mali	07385024	01/07/2016
3	Mr. Paresch Lathiya	07551263	01/07/2016
4	Mrs. Jenish Bhavsar	08264511	03/11/2018

Ensuring the eligibility of 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: Surat  
Date: 21/08/2019

**MANISH R. PATEL**  
Company Secretary in Practice  
ACS No: 19885  
COP No. : 9360



---

## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
**PURE GIFTCARAT LIMITED**  
(Formerly known as “L’AVANCE DIRAYS LIMITED”)   
**CIN: L36910GJ2011PLC065141**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **PURE GIFTCARAT LIMITED**. (“the Company”), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, the Cash Flow Statement for the period ended and a summary of significant accounting policies and other explanatory information.

### **Management’s Responsibility for the Financial Statements**

The Company’s 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 and presentation of these standalone financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the



Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the condensed balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2019;
- (b) In the case of the condensed statement of profit and loss, of the profit for the period ended on that date; and
- (c) In the case of the condensed cash flow statement, of the cash flows for the period ended on that date.

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

- 1. As required by the companies (Auditor's 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 the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
- 2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 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, refer to our separate report in "Annexure B"; and



- g) 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 does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR KANSARIWALA & CHEVLI,**  
Chartered Accountants,

**(H. B. Kansariwala)**

Partner

Membership No. 032429

Firm Registration No. 123689W

Peer Review No. PU0102793706

**Place:** Surat

**Date:** 29/05/2019



---

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to Para 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of **PURE GIFTCARAT LIMITED** for the period ended 31<sup>st</sup> March, 2019)

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a). The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;  
  
(b). As explained to us, the fixed assets have been physically verified by the management during the reporting period at reasonable intervals. No material discrepancies were noticed on such verification.  
  
(c). The company has no immovable property.
2. (a). The inventory has been physically verified during the reporting period by the management. In our opinion, the frequency of verification is reasonable.  
  
(b). The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of business.  
  
(c). The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
3. 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. Therefore, the provisions of sub clauses (a), (b) and (c) of clause 3(iii) are not applicable to the company.
4. The Company has not given any loan, investments, guarantees and security to the directors and therefore, the provision of clause 3(iv) are not applicable to the Company;
5. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public within the meaning of provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under.
6. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act in respect of activities carried out by the company.
7. (a) In our opinion and according to the information and explanation given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, ESIC, Income tax Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it and there are no undisputed amounts payable in respect of Income tax, Sales Tax,



Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess outstanding as at the half year, for a period of more than Six months from the date they become payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the reporting Period.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.



**FOR KANSARIWALA & CHEVLI,**  
Chartered Accountants,

**Place:** Surat  
**Date:** 29/05/2019

**(H. B. Kansariwala)**  
Partner  
Membership No. 032429  
Firm Registration No. 123689W  
Peer Review No. PU0102793706



---

## **ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

### **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 **PURE GIFTCARAT LIMITED** ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the period 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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 31<sup>st</sup> March, 2019, 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 KANSARIWALA & CHEVLI,**  
Chartered Accountants,

**(H. B. Kansariwala)**  
Partner

**Place:** Surat  
**Date:** 29/05/2019

Membership No. 032429  
Firm Registration No. 123689W  
Peer Review No. PU0102793706



**PURE GIFTCARAT LIMITED**  
**(CIN: L36910GJ2011PLC065141)**

**Balance Sheet as at March 31, 2019**

(in Rs.)

Particulars	Note	Figures for the Year as at 31.03.2019	Figures for the Year as at 31.03.2018
<b>EQUITY AND LIABILITIES</b>			
Share Capital	c.1	216,150,000.00	216,150,000.00
Reserves and Surplus	c.2	20,475,793.25	19,867,198.37
<b>Total Shareholders' Funds</b>		<b>236,625,793.25</b>	<b>236,017,198.37</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings		-	-
Deferred Tax Liabilities		-	-
Other Long term liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Current Liabilities</b>			
Trade payables		-	-
Total outstanding dues of Micro and Small Enterprise		-	-
Total outstanding dues of creditors other than Micro and Small Enterprise	c.3	476,565.00	8,119,697.00
Other current liabilities		-	-
Short-term provisions	c.4	884,859.36	1,303,830.36
<b>Total Current Liabilities</b>		<b>1,361,424.36</b>	<b>9,423,527.36</b>
<b>TOTAL</b>		<b>237,987,217.61</b>	<b>245,440,725.73</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	c.5		
Tangible assets		241,851.26	375,779.26
Intangible assets		-	-
Intangible assets under development		52,936,000.00	52,936,000.00
		<b>53,177,851.26</b>	<b>53,311,779.26</b>
Non-current investments	c.6	15,000.00	-
Deferred Tax Assets	c.7	84,513.00	69,351.00
Long term loans and advances		-	-
Other non-current assets		-	-
<b>Total Non-current assets</b>		<b>53,277,364.26</b>	<b>53,381,130.26</b>
<b>Current assets</b>			
Current investments	c.8	-	15,000.00
Inventories	c.9	80,030,818.02	70,320,004.64
Trade receivables	c.10	102,833,226.62	120,289,907.00
Cash and cash equivalents	c.11	176,068.51	266,796.51
Short-term loans and advances	c.12	354,000.00	-
Other current assets	c.13	1,315,740.20	1,167,887.32
<b>Total Current assets</b>		<b>184,709,853.35</b>	<b>192,059,595.47</b>
<b>TOTAL</b>		<b>237,987,217.61</b>	<b>245,440,725.73</b>

As per our report of even date,

**FOR KANSARIWALA & CHEVLI**  
Chartered Accountants,

**FOR PURE GIFTCARAT LIMITED**

**(H. B. Kansariwala)**  
Partner  
Membership No. 032429  
Firm Registration No. 123689W  
Peer Review No. PU0102793706

**Shwet Koradiya**  
Managing Director  
DIN: 03489858

**Jenish Bhavsar**  
Additional Director  
DIN: 08264511

**Shreykumar Sheth**  
CFO  
PAN: EILPS2829J

**Khushboo Modi**  
Company Secretary  
ACS - 57323

**Place : Surat**  
**Date: 29.05.2019**

**Place : Surat**  
**Date: 29.05.2019**



**PURE GIFTCARAT LIMITED**  
(CIN: L36910GJ2011PLC065141)

**Profit and Loss Statement for the year ended March 31, 2019**

(in Rs.)

Particulars	Note	Figures for the Year ended 31.03.2019	Figures for the Year ended 31.03.2018
Revenue From Operations	c.14 & c.15	139,500,580.27	241,491,046.39
Other Income	c.16	-	-
<b>Total Revenue</b>		<b>139,500,580.27</b>	<b>241,491,046.39</b>
<b>Expenses:</b>			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade	c.17	145,050,023.29	212,329,199.69
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	c.18	(9,710,813.38)	21,543,975.33
Employee benefits expense	c.19	2,192,344.00	2,358,495.00
Finance costs		-	-
Depreciation and amortization expense	c.20	133,928.00	183,307.16
Other expenses	c.21	972,495.48	1,258,698.57
<b>Total expenses</b>		<b>138,637,977.39</b>	<b>237,673,675.75</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>862,602.88</b>	<b>3,817,370.64</b>
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>862,602.88</b>	<b>3,817,370.64</b>
Extraordinary Items	c.22	-	(1,770,948.00)
<b>Profit before tax</b>		<b>862,602.88</b>	<b>2,046,422.64</b>
<b>Tax expense:</b>			
Current tax		269,170.00	799,300.00
Deferred Tax Liabilities/(Assets)		(15,162.00)	26,171.00
Prior year's tax adjustment		-	-
<b>Profit (Loss) for the period from continuing operations</b>		<b>608,594.88</b>	<b>1,220,951.64</b>
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
<b>Profit/(loss) from Discontinuing operations (after tax)</b>		<b>-</b>	<b>-</b>
<b>Profit (Loss) for the period (XI + XIV)</b>		<b>608,594.88</b>	<b>1,220,951.64</b>
<b>Earnings per equity share:</b>			
Basic		0.03	0.06
Diluted		0.03	0.06
As per our report of even date, <b>FOR KANSARIWALA &amp; CHEVLI</b> Chartered Accountants,			
(H. B. Kansariwala) Partner Membership No. 032429 Firm Registration No. 123689W Peer Review No. PU0102793706		FOR PURE GIFTCARAT LIMITED  Shwet Koradiya Managing Director DIN: 03489858  Shreykumar Sheth CFO PAN: EILPS2829J  Jenish Bhavsar Additional Director DIN: 08264511  Khushboo Modi Company Secretary ACS - 57323	
Place : Surat Date: 29.05.2019		Place : Surat Date: 29.05.2019	



**PURE GIFTCARAT LIMITED**  
(CIN: L36910GJ2011PLC065141)

**Cash Flow Statement for the period ended 31.03.2019**

(in Rs.)

<b>PARTICULARS</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
<b>A CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS</b>	862,602.88	3,817,370.64
Adjustments for:		
Depreciation	133,928.00	183,307.16
Preliminary Expenses Written Off	-	-
Interest & Finance Charges	-	-
<b>Operating Profit before Working Capital Changes</b>	996,530.88	4,000,677.80
<b>Adjustments for:</b>		
(Increase)/Decrease in Debtors	17,456,680.38	(96,710,042.00)
(Increase)/Decrease in Inventories	(9,710,813.38)	21,543,975.33
(Increase)/Decrease in Loan & advances	(337,800.00)	(763,583.84)
Increase/(Decrease) in Trade Payables	(7,643,132.00)	(494,816.00)
Increase/(Decrease) in Other Current Liabilities	-	-
Increase/(Decrease) in Short term provision	(22,733.88)	(213,411.28)
<b>Cash generated from operations</b>	(257,798.88)	(76,637,877.79)
Income Tax paid	829,460.00	252,980.00
<b>Net Cash Inflow/(Outflow) from Operating activities (A)</b>	<b>(90,728.00)</b>	<b>(72,890,179.99)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(59,411.00)
Purchase of Investments	-	-
<b>Net Cash Inflow/(Outflow) from Investing activities (B)</b>	<b>-</b>	<b>(59,411.00)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest & Finance Charges	-	-
Proceeds from Share Issued	-	74,490,000.00
Proceeds / (Repayment) : Short Term Borrowing	-	-
Proceeds / (Repayment) : Long Term Liabilities	-	-
Proceeds / (Repayment) : Long Term Borrowing	-	-
Payment for Extraordinary items	(183,333.00)	(1,770,948.00)
<b>Net Cash used in Financing activities (C)</b>	<b>(183,333.00)</b>	<b>72,719,052.00</b>
<b>Net Change in Cash &amp; Cash Equivalents (A) + (B) + (C)</b>	<b>(274,061.00)</b>	<b>(230,538.99)</b>
Cash and Cash equivalents as at the beginning of the period	266,796.51	497,335.50
<b>Cash and Cash equivalents as at the end of the period</b>	<b>(7,264.49)</b>	<b>266,796.51</b>

**NOTES:**

- Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3. "Cash Flow Statements" issued under the Companies (Accounting Standard) Rules, 2006.
- Figures in bracket indicates cash outflow.
- Cash and cash equivalents represent cash and bank balance.

As per our report of even date,

**FOR KANSARIWALA & CHEVLI**  
Chartered Accountants,

**(H. B. Kansariwala)**  
**Partner**  
Membership No. 032429  
Firm Registration No. 123689W  
Peer Review No. PU0102793706

**Place : Surat**  
**Date : 29.05.2019**

**FOR PURE GIFTCARAT LIMITED**

**Shwet Koradiya**  
**Managing Director**  
**DIN: 03489858**

**Shreykumar Sheth**  
**CFO**  
**PAN: EILPS2829J**

**Jenish Bhavsar**  
**Additional Director**  
**DIN: 08264511**

**Khushboo Modi**  
**Company Secretary**  
**ACS - 57323**

**Place : Surat**  
**Date : 29.05.2019**



---

**NOTES SCHEDULE TO AND FORMING PARTS OF ACCOUNTS FOR THE YEAR ENDED  
ON 31<sup>ST</sup> MARCH 2019:**

**A. CORPORATE INFORMATION**

**PURE GIFTCARAT LIMITED** is a public limited company incorporated under provisions of the Companies Act, 1956. The Company is engaged in the business of diamond trading.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**(I) BASIS OF ACCOUNTING:**

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting practices.

We have conducted audit in accordance with the auditing standards generally accepted in India on a test check basis after obtaining reasonable assurance from the director that the financial statements are free from material misstatement.

All items of material nature as regards financial statements have been accounted on going concern and accrual basis.

**(II) REVENUE RECOGNITION:**

Revenue is recognized when property in goods are transferred to buyer.

**(III) FIXED ASSETS:**

The company has valued its fixed assets at historical cost less depreciation. The rates of depreciation adopted are the rates provided under the Companies Act, 2013. The written down value method has been adopted by the company.

**(IV) INVENTORIES:**

Raw materials are valued at cost and finished goods are valued at cost or market value whichever is lower.

**(V) EMPLOYEE BENEFITS:**

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc. recognized as actual amounts due in the period in which employee renders the related services.

**(VI) TAXES ON INCOME:**

Current Tax is determined on the basis of tax payable to the taxation authorities in respect of taxable income for the period.

For the purpose of determining accumulated deferred tax assets in current period, depreciation for accounting purposes and for tax purposes are compared and the differences is charged to the revenue reserves, subject to the consideration of prudence.



**PURE GIFTCARAT LIMITED**  
**(CIN: L36910GJ2011PLC065141)**

**Notes to the Financial Statements**

(in Rs.)

Particulars	Figures for the Year ended 31.03.2019		Figures for the Year ended 31.03.2018	
	No. of Share	Rs.	No. of Share	Rs.
<b>Note: C.1-A - Share Capital:</b>				
<b>AUTHORISED:</b>				
Equity Shares of Rs.10 each	22,000,000	220,000,000	22,000,000	220,000,000
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP:</b>				
Equity Shares of Rs.10 each	21,615,000	216,150,000	21,615,000	216,150,000

Particulars	Figures for the Year ended 31.03.2019		Figures for the Year ended 31.03.2018	
	No. of Share	Rs.	No. of Share	Rs.
Reconciliation of number of shares: Equity shares				
<b>Note: C.1-B</b>				
Shares outstanding at the beginning of the Year/period	21,615,000	216,150,000	15,885,000	158,850,000
Add: 57,30,000 Equity shares of Rs.10/- each fully paid up through IPO*	-	-	5,730,000	57,300,000
Shares outstanding at the end of the Year/period	<b>21,615,000</b>	<b>216,150,000</b>	<b>21,615,000</b>	<b>216,150,000</b>

\* During the Financial year 2017-18 under review, your Company has come up with Initial Public Offering (IPO) of 57,30,000 Equity Shares of face value of Rs. 10/- at a price of Rs. 13/- per share.

**Note: C.1-C**

The Company has only one class of shares i.e. equity shares. All equity shares rank pari passu and carry equal rights with respect to voting and dividend. In the event of liquidation of the Company, the equity shareholder shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

Particulars	Figures for the Year ended 31.03.2019		Figures for the Year ended 31.03.2018	
	No. of Share	% of Holding	No. of Share	% of Holding
<b>Note: C.1-D</b>				
Details of Share Holders holding more than 5% of Equity Shares of Rs.10/- each, fully paid:				
Varshaben D. Koradiya	12,075,000	55.86%	12,075,000	55.86%
Panth Infinity Limited	1,575,000	7.29%	1,575,000	7.29%

Note : c.2 - Reserves and Surplus:		Figures for the Year ended 31.03.2019	Figures for the Year ended 31.03.2018
<b>SURPLUS IN STATEMENT OF PROFIT AND LOSS ACCOUNT:</b>			
<b>A. BALANCE AS PER LAST BALANCE SHEET</b>		<b>2,677,198.37</b>	1,456,246.73
	<b>ADD: PROFIT FOR THE REPORTING PERIOD</b>	<b>608,594.88</b>	1,220,951.64
		<b>3,285,793.25</b>	<b>2,677,198.37</b>
<b>B. SECURITIES PREMIUM ACCOUNT:</b>			
	<b>SECURITIES PREMIUM</b>	<b>17,190,000.00</b>	17,190,000.00
	<b>(A+B)</b>	<b>20,475,793.25</b>	19,867,198.37



<b>Note : c.3 - Trade Payable:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
TOTAL OUTSTANDING DUES OF MICRO AND SMALL ENTERPRISE	-	-
TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO AND SMALL ENTERPRISE	<b>476,565.00</b>	8,119,697.00
	<b>476,565.00</b>	8,119,697.00

<b>Note : c.4 - Short-term Provisions:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
INTERNAL AUDIT FEES PAYABLE	<b>72,000.00</b>	-
CDSL PROCESSING FEES	-	29,700.00
DEMAT CHARGES PAYABLE	<b>579.36</b>	579.36
GST PAYABLE ON SITTING FEES	<b>7,200.00</b>	16,200.00
INCOME TAX PROVISION	<b>260,020.00</b>	799,300.00
PROFESSIONAL FEES PAYABLE	<b>25,000.00</b>	-
MISC. EXPENSE PAYABLE	<b>111.00</b>	-
PROFESSIONAL TAX (EMPLOYEE)	<b>5,150.00</b>	2,640.00
REMUNERATION PAYABLE	<b>90,000.00</b>	20,000.00
RENT PAYABLE	<b>10,000.00</b>	4,750.00
SALARY PAYABLE	<b>161,393.00</b>	182,761.00
SALES TAX FILING FEES	<b>15,000.00</b>	15,000.00
SHARE REGISTRY SERVICES PAYABLE	<b>8,183.00</b>	5,900.00
SITTING FEES PAYABLE	<b>52,000.00</b>	18,000.00
STATUTORY AUDIT FEES	<b>155,022.00</b>	198,750.00
TDS PAYABLE	<b>23,201.00</b>	10,250.00
	<b>884,859.36</b>	1,303,830.36



**FIXED ASSETS**

Note : c.5																		(in Rs.)	
PARTICULARS	GROSS BLOCK						DEPRECIATION						NET BLOCK						
	As at		Addition		Sales/		TOTAL		Up to		Provided		Sales/		TOTAL		As at		
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	31.03.2018	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	As at	
	01.04.2018						31.03.2019			31.03.2018						31.03.2019		As at	
																		31.03.2018	



<b>Note : c.6 - Non-current Investments:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
FD FOR BANK GURANTEE	15,000.00	-
	15,000.00	-

<b>Note: c.7 - Deferred Tax:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
BREAK UP OF DEFERRED TAX LIABILITIES AND ASSETS INTO MAJOR COMPONENTS OF THE RESPECTIVE BALANCES:		
DEFERRED TAX ASSETS		
DEPRECIATION	84,513.00	69,351.00
DEFERRED TAX LIABILITIES		
DEPRECIATION	-	-
	84,513.00	69,351.00

<b>Note : c.8 - Current Investments:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
FD FOR BANK GURANTEE	-	15,000.00
	-	15,000.00

<b>Note : c.9 - Inventories:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
(THE INVENTORY IS VALUED AT LOWER OF COST AND NET REALISABLE VALUE)		
CLOSING STOCK (STOCK IN TRADE)		
GOLD JEWELLERY	2,997,191.64	2,025,523.65
POLISHED DIAMOND	77,033,626.38	68,294,480.99
	80,030,818.02	70,320,004.64

<b>Note : c.10 - Trade Receivables:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
(UNSECURED, CONSIDERED GOOD)		
SUNDRY DEBTORS		
OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE	99,785,128.50	120,289,907.00
OUTSTANDING FOR A PERIOD NOT EXCEEDING SIX MONTH	3,048,098.12	-
	102,833,226.62	120,289,907.00

<b>Note : c.11 - Cash and cash equivalents:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
BALANCE WITH BANK	79,511.91	108,321.51
CASH ON HAND	96,556.60	158,475.00
	176,068.51	266,796.51

<b>Note : c.12 - Short-term loans and advances:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
(UNSECURED, CONSIDERED GOOD)		
BLUETECH IMPEX PVT LTD	354,000.00	-
	354,000.00	-



<b>Note : c.13- Other current assets:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
GST RECEIVABLE	500,816.36	352,963.48
DEPOSITS	794,900.00	794,900.00
VAT RECEIVABLE/PAYABLE	20,023.84	20,023.84
	<b>1,315,740.20</b>	<b>1,167,887.32</b>

<b>Note : c.14 - Revenue from Operation:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
SALE OF GOODS TRADED:		
GOLD ORNAMENTS	-	19,298.00
POLISHED DIAMOND	133,557,803.00	235,414,870.00
POLISHED DIAMOND - INTERSTATE	5,942,390.00	5,426,936.00
POLISHED DIAMOND - POINTED	-	628,957.00
	<b>139,500,193.00</b>	<b>241,490,061.00</b>

<b>Note : c.15 - Other Operating Income:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
DISCOUNT RECEIVED	387.27	985.39
	<b>387.27</b>	<b>985.39</b>

<b>Note : c.16 - Other Income:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
	-	
	-	-

<b>Note : c.17 - Purchase of Stock-in-Trade:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
DETAILS OF PURCHASE OF STOCK-IN-TRADE UNDER BROAD HEADS:		
GOLD ORNAMENTS	971,668.00	12,256.23
POLISHED DIAMOND	132,303,619.29	136,410,615.61
POLISHED DIAMOND - INTERSTATE	10,949,500.00	65,701,521.39
POLISHED DIAMOND - POINTED	825,236.00	10,204,806.46
	<b>145,050,023.29</b>	<b>212,329,199.69</b>

<b>Note : c.18 - Changes in Inventories:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
STOCK AT CLOSE:		
STOCK AT CLOSE	80,030,818.02	70,320,004.64
	<b>80,030,818.02</b>	<b>70,320,004.64</b>
STOCK AT COMMENCEMENT:		
STOCK AT COMMENCEMENT	70,320,004.64	91,863,979.97
	<b>70,320,004.64</b>	<b>91,863,979.97</b>
	<b>(9,710,813.38)</b>	<b>21,543,975.33</b>



<b>Note : c.19 - Employee Benefits Expenses:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
SALARY	2,192,344.00	2,358,495.00
	2,192,344.00	2,358,495.00

<b>Note : c.20 - Depreciation and Amortization Expenses:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
DEPRECIATION	133,928.00	183,307.16
	133,928.00	183,307.16

<b>Note : c.21 - Other Expenses:</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
ADVERTISEMENT EXPENSES	17,840.00	12,320.00
ANNUAL CUSTODY FEE	75,354.00	37,376.00
ANNUAL LISTING FEE	49,282.00	32,315.00
ASBA COMMISSION	44,284.80	14,747.60
AUDIT FEES	1,55,000.00	86,500.00
BANK CHARGES	18,263.00	3,860.90
DATABASE EXPENSE	86,500.00	80,458.00
DEMAT CHARGES	-	4,099.36
DEPOSITORY FEES	75,000.00	63,250.00
DIAMOND CERTIFICATION EXPENSES	26,436.50	1,20,606.78
DISCOUNT	463.86	5,088.65
DESIGNS EXPENSE WRITTEN OFF	(5,04,000.00)	
FUEL EXPENSES	2,250.00	-
GST LATE FILING FEES	550.00	700.00
INTEREST ON INCOME TAX	21,010.00	26,345.00
INTEREST ON PROFESSIONAL TAX	400.00	810.00
INTEREST ON TDS	300.00	-
MEMBERSHIP FEE	-	21,000.00
MARKET MAKER FEE	1,83,333.00	-
MISC. EXPENSES	2,110.00	6,710.00
POSTAGE AND COURIER	4,581.00	2,070.00
PRINTING AND STATIONERY	7,025.00	1,61,660.00
PROCESSING FEE OF DEPOSITORY	-	32,450.00
PROFESSIONAL FEES	44,500.00	51,500.00
PROFESSIONAL TAX	2,400.00	2,400.00
REMUNERATION TO DIRECTOR	4,20,000.00	2,40,000.00
RENT EXPENSES	99,500.00	47,000.00
REPAIRS	7,500.00	1,050.00
ROC FILING FEES	9,000.00	7,300.00
SALES TAX FILING FEE	-	15,000.00
SHARE REGISTRY FEES	37,352.32	32,394.28
SITTING FEES OF DIRECTOR	84,000.00	90,000.00
TELEPHONE BILL	2,260.00	2,701.00
TRAINING FOR STAFF	-	15,300.00
TRAVELLING EXPENSES	-	14,186.00
VAT PENALTY	-	27,500.00



<b>Note : c.22 - Extraordinary Items</b>	<b>Figures for the Year ended 31.03.2019</b>	<b>Figures for the Year ended 31.03.2018</b>
ADVERTISEMENT EXPENSES FOR IPO	-	178,651.00
BID VERIFICATION CHARGES	-	19,550.00
BO VERIFICATION CHARGES	-	23,000.00
CORPORATE ACTION PROCESSING FEE	-	27,152.00
MARKET MAKER FEE	-	230,000.00
NSM COMMISSION	-	3,738.00
PROCESSING FEES OF DEPOSITORY FOR IPO	-	68,857.00
PROFESSIONAL FEES FOR IPO	-	1,105,000.00
SOFTWARE FEES OF BSE	-	115,000.00
	-	1,770,948.00

## OTHER DISCLOSURES & INFORMATION

- (I) The balance of debtors, creditors, unsecured loans and Loans & Advances are subject to confirmation. However, the director has certified the respective balances.
- (II) Expenses for which supporting evidences are not found are duly certified by the directors.
- (III) Previous reporting period's figure have been regrouped / reclassified wherever necessary to correspond with the current reporting period's classifications / disclosure.
- (IV) Related Party disclosure in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India is as under:

<b>Name of Related Party with whom Transaction have been made</b>	<b>Description of relation with the Party</b>	<b>Nature of Transaction</b>	<b>2018-19 (Rs.)</b>	<b>Amount outstanding as on 31.03.2019 (Rs.)</b>
Shwet D. Koradiya	Managing Director	Remuneration	420000	90,000
Shreykumar Sheth	CFO	Salary	312000	26000
Khushboo Modi	Company Secretary	Salary	11032	11032
Shyam Kapadia	Company Secretary	Salary	88000	-

- (V) Earning per Share as required by Accounting Standard (AS – 20):

	<b>Current Period</b>	<b>Previous Year</b>
Profit after Taxation	6,08,595	12,20,952
Profit attributable to ordinary shareholders	6,08,595	12,20,952
Number of Equity Shares (in nos.)		
Issued and subscribed	2,16,15,000	2,16,15,000
Number of Potential Equity Shares (under Employees' stock option scheme)	0	0
Total no. of shares including potential equity shares	2,16,15,000	2,16,15,000
Basic earning per Share (Rs.)	0.03	0.06
Diluted earning per Share (Rs.)	0.03	0.06



**(VI) Break up of Auditors Remuneration:**

<b>Particulars</b>	<b>Current Period</b>	<b>Previous Year</b>
As an Auditor	1,10,000	41,500
Tax Audit Fees	25,000	25,000
For Income Tax Matters	20,000	20,000
Other	-	-
GST / Service Tax	-	-
<b>Total</b>	<b>1,55,000</b>	<b>86,500</b>

**(VII)** C.I.F. Value of Imports: NIL

**(VIII)** FOB Value of Exports: NIL

**(IX)** Earning in Foreign Exchange: NIL

**(X)** Details of dues to Micro & Small Enterprises under the Micro, Small & Medium Enterprise Development Act, 2006 is as under: NIL

As per our report of even date, <b>FOR KANSARIWALA &amp; CHEVLI</b> Chartered Accountants,		<b>FOR PURE GIFTCARAT LIMITED</b>	
<b>(H. B. Kansariwala)</b> Partner Membership No. 032429 Firm Registration No. 123689W Peer Review No. PU0102793706	<b>Shwet Koradiya</b> Managing Director DIN: 03489858		<b>Jenish Bhavsar</b> Additional Director DIN: 08264511
	<b>Shreykumar Sheth</b> CFO PAN: EILPS2829J		<b>Khushboo Modi</b> Company Secretary ACS – 57323
	<b>Place : Surat</b> <b>Date : 29.05.2019</b>		<b>Place : Surat</b> <b>Date : 29.05.2019</b>



**PURE GIFTCARAT LIMITED**

(CIN: L36910GJ2011PLC065141)

Reg. Off.: M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat.

Phone No.: 0261-2600343, Mob: +91-7043999030

Email: [info@puregiftcarat.com](mailto:info@puregiftcarat.com), Website: [www.puregiftcarat.com](http://www.puregiftcarat.com)

**ATTENDANCE SLIP**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE  
MEETING HALL

*(Joint shareholders may obtain additional Slip at the venue of the meeting)*

DP. Id.		Name & Address of the Registered Shareholder / Proxy
Regd. Folio No.		
No. of Shares		

I certify that I am a registered Shareholder/proxy for the registered Shareholder of the Company.

I hereby record my presence at the 8<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Friday, the 27<sup>th</sup> September, 2019 at 3.00 p.m. at M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat.

Name of Shareholder/Proxy: \_\_\_\_\_

Signature of Shareholder/Proxy: \_\_\_\_\_

**Notes:**

1. Members/Proxy holders are requested to bring this slip duly signed with them when they come to the Meeting and hand over it at the time of the Meeting.
2. Remote e-voting facility is available during the period:

Commencement of Remote e-voting	End of Remote e-voting
<b>24<sup>th</sup> September, 2019 at 09:00 a.m.</b>	<b>26<sup>th</sup> September, 2019 at 05:00 p.m.</b>

**ELECTRONIC VOTING PARTICULARS**

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD
<b>111769</b>		



**PURE GIFTCARAT LIMITED**  
(CIN: L36910GJ2011PLC065141)

Reg. Off.: M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat.

Phone No.: 0261-2600343, Mob.: +91-7043999030

Email: [info@puregiftcarat.com](mailto:info@puregiftcarat.com), Website: [www.puregiftcarat.com](http://www.puregiftcarat.com)

**FORM NO. 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]*

Name of Member(s) :
Registered Address :
E-Mail Id :
Folio No/ Client Id :
DP ID:

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

1. Name			
Address			
E-mail Id		Signature	
	or failing him/her		
2. Name			
Address			
E-mail Id		Signature	
	or failing him/her		
3. Name			
Address			
E-mail Id		Signature	

as my/our proxy to attend and vote for me/us and on my/our behalf at the 8<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 27<sup>th</sup> September, 2019 at 3.00 p.m. at M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat and at any adjournment thereof in respect of such Resolutions as are indicated below.

Resolution No.	Resolutions
<b>Ordinary Business</b>	
1	Adoption of Audited Financial Statements for the financial year ended 31 <sup>st</sup> March, 2018
2	Appointment of Mr. Shwet Koradiya (DIN: 03489858) who retires by rotation and being eligible, offers himself for reappointment
<b>Special Business</b>	
3	Appointment of Mrs. Jenish Bhavsar (DIN: 08264511) as an Independent Director
4	Change the Name of the Company

**Affix a Rs.  
1/-  
Revenue  
Stamp**

As witness my / our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

Signature of Shareholder: \_\_\_\_\_ Signature of Proxy: \_\_\_\_\_

**NOTE:**

The proxy form duly stamped, completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding of the aforesaid meeting. The Proxy need not be a member of the Company.

[illegible]

BOOK POST



**PURE**  
GIFTCARAT LIMITED

If Undelivered, Please return to :

**PURE GIFTCARAT LIMITED**

REGISTERED OFFICE

M-40, Second Floor, VIP Plaza, Near Shyam Temple,  
Vesu, Surat - 395007, Gujarat

Phone : 0261-2600343 | Mob : +91 7043 999 030

[www.puregiftcarat.com](http://www.puregiftcarat.com)