



9<sup>th</sup> October, 2018

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

**Sub: 7<sup>th</sup> Annual Report for the financial year 2017-18**  
Scrip Code: 540492

Dear Sir,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclosed herewith the Annual Report for the financial year 2017-18 approved and adopted by the shareholders in their 7<sup>th</sup> Annual General Meeting of the Company held on 20<sup>th</sup> September, 2018.

A Copy of Annual Report is also uploaded on the website of the Company [www.puregiftcarat.com](http://www.puregiftcarat.com).

Kindly take the same on your record.

Thanking you,

Yours faithfully,  
For PURE GIFT CARAT LIMITED

*S. B. Kapadia.*

**SHYAM KAPADIA**  
Company Secretary & Compliance Officer  
ACS No. 55158



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

**7<sup>TH</sup>**  
**ANNUAL REPORT**  
**2017-18**

# INDEX

<b>CONTENTS</b>	<b>PAGE NO.</b>
COMPANY INFORMATION	01
NOTICE	02
DIRECTORS' REPORT	15
EXTRACT OF ANNUAL RETURN	24
RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION AND OTHER DISCLOSURE	31
SECRETARIAL AUDIT REPORT	32
MANAGEMENT DISCUSSION AND ANALYSIS REPORT	36
CORPORATE GOVERNANCE REPORT	40
INDEPENDENT AUDITOR'S REPORT	57
BALANCE SHEET	63
STATEMENT OF PROFIT & LOSS	64
CASH FLOW STATEMENT	65
NOTES FORMING PART OF FINANCIAL STATEMENTS	66
ATTENDANCE SLIP	75
FORM MGT-11- PROXY FORM	77



---

**COMPANY INFORMATION**

**BOARD OF DIRECTORS**

Mr. Shwet Koradiya	Chairman & Managing Director
Mr. Brijeshkumar Mali	Independent Director
Mr. Paresh Lathiya	Independent Director
Mrs. Niki Doshi	Additional Independent Director (Appointed w.e.f. 15.11.2017)

**CHIEF FINANCIAL OFFICER**

Mr. Shreykumar Sheth

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Shyam Kapadia (Appointed w.e.f. 14.05.2018)

**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 **7<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of **PURE GIFT CARAT LIMITED** will be held on Thursday, the 20<sup>th</sup> September, 2018 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. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 together with the Report of Board of Directors and Auditors thereon.
2. 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. Niki Doshi (DIN: 07940941) 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 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Niki Doshi (DIN: 07940941) who was appointed by the Board of Directors as an Additional Director of the Company in Independent capacity w.e.f. 15<sup>th</sup> November, 2017 and who holds office upto the date of this 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 Director of the Company in Independent capacity to hold office for a term of 5 (five) consecutive years w.e.f. 15<sup>th</sup> November, 2017 and not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are 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.”

#### **4. Approval of Related Party Transactions:**

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and also pursuant to the consent of Audit Committee and the Board of Directors vide resolutions passed in their respective meetings held on 21<sup>st</sup> August, 2018 and subject to such approvals as may be necessary, the consent of the Members of the Company be and is hereby accorded to enter into Material Related Party Transactions as per details set out under the Explanatory Statement annexed to this Notice and on such terms and conditions as may be agreed upon between them.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are 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.”



**5. Revision in Remuneration of Mr. Shwet Koradiya, Chairman and Managing Director of the Company:**

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

“RESOLVED THAT in continuation of the earlier resolution passed in Board Meeting held on 18<sup>th</sup> November, 2016 and a special resolution passed in an Extra-Ordinary General Meeting held on 24<sup>th</sup> December, 2016 and pursuant to provisions of Section 197, 198 read with Schedule V and all other applicable provisions, if any, of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of Members of the Company be and is hereby accorded for revision in the remuneration to be paid to Mr. Shwet Koradiya (DIN: 03489858), Chairman and Managing Director of the Company from Rs. 20,000/- (Rupees Twenty Thousand) per month to Rs. 50,000/- (Rupees Fifty Thousand) per month w.e.f. 1<sup>st</sup> October, 2018 till rest of his term as Chairman and Managing Director.

RESOLVED FURTHER THAT notwithstanding the above, in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Shwet Koradiya as a Chairman and Managing Director of the Company, remuneration payable to him shall be within the limits of Schedule V to the Companies Act, 2013, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are 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.”

**6. Re-appointment of Mr. Shwet Koradiya as a Chairman and Managing Director:**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of Members be and is hereby accorded for the re-appointment of Mr. Shwet Koradiya (DIN: 03489858) as a Chairman and Managing Director of the Company, for a period of 3 (Three) years w.e.f. 1<sup>st</sup> July, 2019 to 30<sup>th</sup> June, 2022 with a remuneration of Rs. 50,000/- (Rupees Fifty Thousand) per month, subject to annual increments, if any, from time to time as fixed by the Board in any financial year which shall not exceed the overall ceiling laid down in Section 197 of the Act read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT notwithstanding the above, in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Shwet Koradiya as a Chairman and Managing Director of the Company, remuneration payable to him shall be within the limits of Schedule V to the Companies Act, 2013, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are 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: 21/08/2018

**SHYAM KAPADIA**  
Company Secretary & Compliance Officer  
ACS: 55158



**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 businesses under Item Nos. 3 to 6 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, 5 & 6 of 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 case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer books of the Company will remain closed from **14<sup>th</sup> September, 2018 to 20<sup>th</sup> September, 2018 (both days inclusive).**



7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. Members are requested to convert their Share(s) lying in physical form to the Demat form for easy transferability of Shares. 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).
13. 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).

14. 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.
15. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.
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 2017-18 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 2017-18 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 7<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 7<sup>th</sup> Annual General Meeting.
19. The route map showing directions to reach the venue of the 7<sup>th</sup> AGM is annexed.
20. Voting procedure:
  - I. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting will be able to exercise their right at the meeting through ballot paper.
  - II. 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.
  - III. 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.



- IV. 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.
- V. 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 is listed.
21. 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).
22. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information for replying in the meeting.
23. 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. Niki Doshi (DIN: 07940941) has been appointed as an Additional Director in the Independent capacity of the Company by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 with effect from 15<sup>th</sup> November, 2017. She will hold office only up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013, signifying one of the member's intention to propose Mrs. Niki Doshi as a candidate for the office of an Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. 15<sup>th</sup> November, 2017 as mentioned in the resolution and shall not retire by rotation.

Mrs. Niki Doshi 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 Section 149 of the Companies Act, 2013, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of Company and she shall not be included in the total number of Directors for retirement by rotation.

The Company has also received a declaration from Mrs. Niki Doshi that she meets the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mrs. Niki Doshi possesses appropriate skills, experience and knowledge.



In the opinion of the Board, Mrs. Niki Doshi 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 and shall not be liable to retire by rotation.

A copy of draft letter of Appointment alongwith other relevant documents are available for physical inspection by members at the Registered Office of the Company during the business hours on all working days, between 10.00 a.m. to 5.00 p.m. till the date of 7<sup>th</sup> Annual General Meeting of the Company.

Accordingly, the Board recommends the Resolution set out at Item No. 3 of this Notice for your approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mrs. Niki Doshi is considered to be interested or concerned in the above resolution.

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

Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended, prescribe certain procedure for approval of Related Party Transactions. The Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has also prescribed seeking of Shareholders' approval for Material Related Party Transactions.

Approval of an Audit Committee and Board has been taken in their respective meetings for the transactions to be entered into with Related Parties. The contracts / arrangements / transactions to be entered with Related Parties are material in nature and require approval of the unrelated shareholders of the Company by an Ordinary Resolution. The particulars of the transactions in terms of the Explanation to Rule 15 of the Companies (Meetings of Board and its Power) Rules, 2014 are as under:

<b>Sr. No.</b>	<b>Name of Related Parties</b>	<b>Name of the Director or Key Managerial Personnel who is related, if any.</b>	<b>Nature of relationship</b>	<b>Nature, Duration, Material terms, Monetary Value, Particulars of Contract/ Arrangement</b>	<b>Any advance paid or received for the arrangement, if any</b>
1.	Pure ITES Limited (Formerly Known as 'Pure Weblopment Limited')	None of the Director or Key Managerial Personnel of the Company is related.	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.	Nil
2.	Panth Infinity Limited (Formerly Known as 'Synergy Bizcon Limited')	Mr. Shwet Koradiya being common Director in both the Companies is considered as Related Party.	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. 40 Crore per annum. (c) The scope of work shall be Buying/Selling of Diamonds/Jewellery.	Nil



The transactions to be entered with Pure ITES Limited are not material in nature. However, for ensuring compliance of better Corporate Governance, an approval of Members is being sought by the way of an Ordinary Resolution alongwith other material transactions. The proposal outlines above is in the interest of the Company.

A copy of draft Related Party Agreements alongwith other relevant documents are available for physical inspection by members at the Registered Office of the Company during the business hours on all working days, between 10.00 a.m. to 5.00 p.m. till the date of 7<sup>th</sup> Annual General Meeting of the Company.

Accordingly, the Board recommends the Resolution set out at Item No.4 of this Notice for your approval.

None of the Director or Key Managerial Personnel or their Relatives except the following Promoter, Directors, and Key Managerial Personnel's are considered to be interested or concerned in the above resolution:

<b>Name of Related Party</b>	<b>Shwet Koradiya</b>	<b>Varshaben Dhirajbhai Koradiya</b>	<b>Mr. Dhirajbhai Koradiya</b>	<b>Dhirajbhai Vaghjibhai Koradiya - HUF</b>
Pure ITES Limited	--	--	2,10,000 Equity Shares (1.91%)	90,02,000 Equity Shares (81.84%)
Panth Infinity Limited*	11,09,113 Equity Shares (8.99%)	40,000 Equity Shares (0.32%)	--	--
*Panth Infinity Limited is promoter share holder company of Pure Giftcarat Limited, holding 15,75,000 Equity Shares (7.29%).				

#### **ITEM NO. 5 & 6:**

The Board of Directors of the Company in its meeting held on 18<sup>th</sup> November, 2016 and the Members of the Company in its Extra-ordinary General Meeting held on 24<sup>th</sup> December, 2016, has decided to pay Remuneration of Rs. 20,000/- (Rupees Twenty Thousand) per month to Mr. Shwet Koradiya (DIN: 03489858), Chairman and Managing Director of the Company w.e.f. 2<sup>nd</sup> January, 2017.

However, taking into consideration of his dedication towards work and expertise in subject matter and as recommended by Nomination and Remuneration committee & Audit committee, the Board of Directors has decided in its Board Meeting held on 21<sup>st</sup> August, 2018 to revise the remuneration of Mr. Shwet Koradiya (DIN: 03489858), Chairman and Managing Director of the Company from Rs. 20,000/- (Rupees Twenty Thousand) per month to Rs. 50,000/- (Rupees Fifty Thousand) per month w.e.f. 1<sup>st</sup> October, 2018.

Further, the present term of Mr. Shwet Koradiya is going to expire on 30<sup>th</sup> June, 2019. Pursuant to Section 196 of the Companies Act, 2013 read with applicable rules made thereunder, no re-appointment of Managerial Personnel shall be made earlier than one year before the expiry of his term. Accordingly, on the recommendation of Nomination and Remuneration Committee & Audit Committee, the Board of Directors of the Company, in its meeting held on 21<sup>st</sup> August, 2018, has decided to re-appoint Mr. Shwet Koradiya as a Chairman and Managing Director of the Company for further period of 3 (three) years commencing from 1<sup>st</sup> July, 2019 and ending on 30<sup>th</sup> June, 2022 with a remuneration of Rs. 50,000/- (Rupees Fifty Thousand) per month, subject to annual increments from time to time as fixed by the Board in any financial year which shall not exceed the overall ceiling laid down in Section 197 of the Act read with Schedule V of the Companies Act, 2013.



Statement containing required information as per the Part II of Section II of Schedule V of the Companies Act, 2013 for Item No. 5 & 6.

## **I. General Information:**

### **1) Nature of Industry:**

The Company is engaged in wholesale trading of Precious Metals, Stones & Jewellery. Company's operations include sourcing of Diamonds from primary and secondary source suppliers in the domestic market and sale of diamond to the wholesale and retail operations in India.

### **2) Date or expected date of commencement of commercial production:**

Date of commencement of wholesale trading of Precious Metals, Stones & Jewellery is 5<sup>th</sup> July, 2011.

### **3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not applicable

### **4) Financial performance based on given indicators:**

(Amount in Rs.)

<b>Particulars</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Total Revenue	1,57,48,611.66	50,55,845.00	45,39,31,127.97	97,85,48,806.45	24,14,91,046.39
Profit before tax	14397.48	50,475.00	10,03,118.28	12,96,340.45	20,46,422.64
Profit after tax	(82,054.52)	2,12,676.00	7,57,085.28	8,86,199.45	12,20,951.64

### **5) Foreign investments or collaborations, if any:**

Not applicable

## **II. Information about the appointee:**

### **1) Background details:**

Mr. Shwet Koradiya, aged 30 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 and Accounts. He has more than 8 years of experience in the field of Diamond and Construction.

### **2) Past remuneration:**

Rs. 20,000/- per month.

### **3) Recognition or awards:**

NIL

### **4) Job profile and his suitability:**

Mr. Shwet Koradiya is Chairman and Managing Director of the Company. He is overall in-charge of running the affairs of the Company under the supervision and control of the Board of Directors. He is very much engaged in the field of Finance, Accounts and general administration. In the capacity of Chairman and Managing Director, he has been devoting whole time attention to the affairs of the Company and is suitable for this position.

### **5) Remuneration proposed:**

The remuneration proposed is Rs. 50,000/- per month subject to annual increment as may be decided by the Board from time to time.



**6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Considering the size of the Company, the profile of Mr. Shwet Koradiya, the responsibilities entrusted upon him in his capacity as a Chairman & Managing Director, and also considering the industrial benchmarks, the remuneration proposed is commensurate with the remuneration packages paid to similar appointees in other companies.

**7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Mr. Shwet Koradiya has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of a Managing Director. As on the date, he does not hold any Equity Shares of the Company in his own name.

**III. Other information:**

**1) Reasons of loss or inadequate profits:**

Company is in growing phase which required Substantive Working Capital which has direct impact on the Profit of the Company.

**2) Steps taken or proposed to be taken for improvement:**

- To launch new product relating to diamonds, precious stones and jewellery product in the market;
- Reduce extra cost;
- Enhance performance ethics;
- To fulfill the use of end users according to market Demand;

**3) Expected increase in productivity and profits in measurable terms:**

The aforesaid steps taken by the Company are expected to improve the Company's sales and profitability in near future.

**IV. Disclosures:**

The information and disclosures of the remuneration package of all the Directors has been provided in the Corporate Governance Report, forming part of the Annual Report for the year ended 31<sup>st</sup> March, 2018.

A copy of necessary documents relating to change in remuneration and re-appointment of Mr. Shwet Koradiya, as a Chairman and Managing Director is available for inspection by members at the Registered Office of the Company during the business hours on all working days, between 10.00 a.m. to 5.00 p.m. till the date of 7<sup>th</sup> Annual General Meeting of the company.

Accordingly, the Board recommends the resolutions as set out in item no. 5 & 6 of the Notice for approval of members.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Shwet Koradiya and Mrs. Varshaben Koradiya are considered to be interested or concerned in the above resolution.



**(II) DETAILS OF DIRECTORS SEEKING APPONTMENT / 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	30 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 2017-18	5 (Five)
Expertise in specific functional area	Diamond and Construction Industry
Brief Profile	Mr. Shwet Koradiya, aged 30 years, has completed his M.B.A. (Finance) from University of Technology Sydney (UTS), Australia and he has been very much engaged in the field of Finance, Accounts and General administration. He has more than 8 years of experience in the field of Diamond and Construction.
Terms and conditions of appointment or re-appointment	<ol style="list-style-type: none"><li>1. He is appointed / reappointed as a Chairman and Managing Director.</li><li>2. He will be liable to retire by rotation.</li><li>3. He will get the remuneration for his office.</li><li>4. The terms and conditions of Mr. Shwet Koradiya are in accordance with the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, as may be applicable.</li><li>5. Other terms and conditions will be applicable under mention the Appointment Letter between the Company and him.</li></ol>
Remuneration Last drawn	Rs. 20,000/- per month
Shareholding in the Company	Nil
Directorship in the other Entities	<ol style="list-style-type: none"><li>1. Koradiya Mile Stone Private Limited</li><li>2. Dtex Multiproject Diamond Private Limited</li><li>3. Synergy Bizcon Limited</li><li>4. Pure Personal Care Limited</li></ol>
Membership/Chairmanship in Committees (Other than Pure Giftcarat Limited)	<ol style="list-style-type: none"><li>i. He is a Member of Audit Committee, Nomination &amp; Remuneration Committee and Stakeholders' Relationship Committee of Panth Infinity Ltd.</li><li>ii. Further, he is a Chairman of Risk Management Committee of Panth Infinity Ltd.</li></ol>
Relationship with other Director(s), Manager and KMP	Not related to other Director(s), Manager and KMP



**B.**

Name of the Director	Mrs. Niki Doshi (DIN.: 07940941)
Designation/Category	Additional Independent Director
Date of Birth	16/01/1988
Age	30 Years
Nationality	Indian
Qualification	B.Com
Date of first appointment on the Board of the Company	15/11/2017
No. of Board Meetings attended during the Year 2017-18	1 (One)
Justification for choosing the appointee for appointment as Independent Director	For seeking expertise in Jewellery Designing
Expertise in specific functional area	Jewellery Designing Industry
Brief Profile	Mrs. Niki Doshi has completed her B.Com from Veer Narmad South Gujarat University, Surat, Gujarat. She has been very much instrumental in the field of Jewellery Designing. She has more than 6 years of experience in the field of Jewellery Designing.
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: 21/08/2018

**SHYAM KAPADIA**  
Company Secretary & Compliance Officer  
ACS No.: 55158

**REGISTERED OFFICE:-**

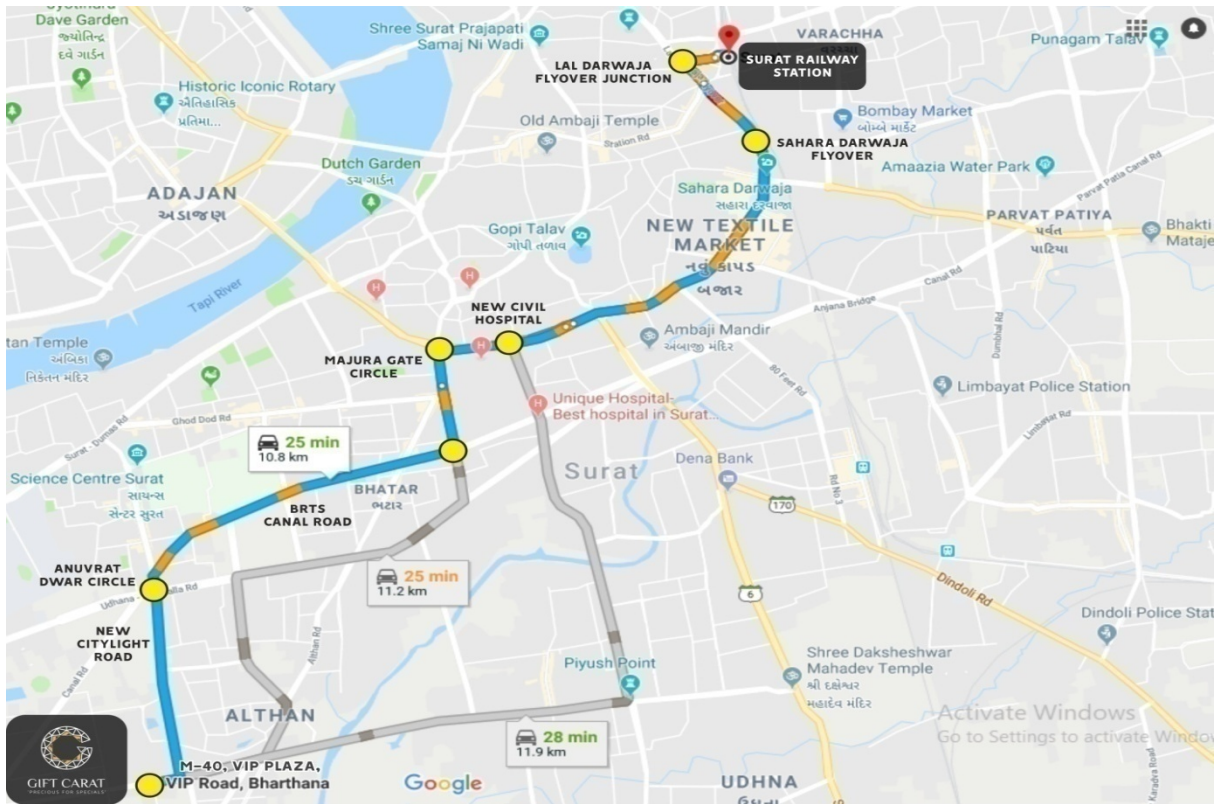
M-40, Second Floor,  
VIP Plaza, Near Shyam Temple,  
Vesu, Surat-395007, Gujarat, India  
Phone No.: 0261-2600343, Mob.: +91-7043999030  
E-mail: [info@puregiftcarat.com](mailto:info@puregiftcarat.com)  
Website: [www.puregiftcarat.com](http://www.puregiftcarat.com)





### Route Map to the Venue of the 7<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 7<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, 2018.

### 1. FINANCIAL PERFORMANCE:-

The financial performance of the Company is summarized below:

Particulars	(Amount in Rs.)	
	F.Y. 2017-18	F.Y. 2016-17
<b>Revenue from Operations</b>	<b>24,14,90,061.00</b>	<b>97,85,48,806.45</b>
Other Operating Income	985.39	0.00
<b>Total Income</b>	<b>24,14,91,046.39</b>	<b>97,85,48,806.45</b>
Profit/(Loss) Before Tax & Exceptional/Extraordinary Items	38,17,370.64	12,96,340.45
Less:		
Exceptional/Extraordinary items (Note-1)	(17,70,948.00)	0.00
<b>Profit/(Loss) Before Tax</b>	<b>20,46,422.64</b>	<b>12,96,340.45</b>
Less: Tax Expense :		
- Current Tax	7,99,300.00	4,26,735.00
- Deferred Tax Liabilities/(Assets)	26,171.00	(16,594.00)
<b>Net Profit/(Loss) After Tax</b>	<b>12,20,951.64</b>	<b>8,86,199.45</b>

**Note-1:** An extraordinary item in this 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. 24,14,91,046.39/- as against Total Income of Rs. 97,85,48,806.45/- of the previous year. However, the Company's Net Profit After Tax has been increased to Rs. 12,20,951.64/- for the current year as against the Net Profit After Tax of Rs. 8,86,199.45/- 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.

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

Mr. Shwet Koradiya (DIN: 03489858), Mr. Brijeshkumar Mali (DIN: 07385024), Mr. Paresh Lathiya (DIN: 07551263) and Mrs. Shweta Gandhi (DIN: 07378981) 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 6<sup>th</sup> Annual General Meeting of the Company held on 9<sup>th</sup> September, 2017.
- ❖ Mrs. Shweta Gandhi (DIN: 07378981) Independent Director of the Company had resigned from the post of Directorship of the Company w.e.f. 14<sup>th</sup> November, 2017 and the same has been accepted by Board of Directors in Board Meeting held on 14<sup>th</sup> November, 2017.
- ❖ Mrs. Niki Doshi has been appointed as an Additional Director of the Company in Independent capacity w.e.f. 15<sup>th</sup> November, 2017 in the Board Meeting held on 14<sup>th</sup> November, 2017 who hold office upto the date of 7<sup>th</sup> AGM as an Additional Director. The Company has received a notice from Shareholder in terms of Section 160 of the Act signifying his intention to propose the appointment of Mrs. Niki Doshi as an Independent Director w.e.f. 15<sup>th</sup> November, 2017.
- ❖ As on 31<sup>st</sup> March, 2018, 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. Niki Doshi	-	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.

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

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and Section 203 of the Companies Act, 2013 are as follows:

- |                             |   |  |
|-----------------------------|---|--|
| (i) Mr. Shwet Koradiya      | - | Chairman & Managing Director           |
| (ii) Mr. Shreykumar Sheth # | - | Chief Financial Officer (CFO)          |
| (iii) Mr. Shyam Kapadia *   | - | Company Secretary & Compliance Officer |

- Mr. Bhavin Chandura has resigned from the post of CFO of the Company w.e.f. 31<sup>st</sup> May, 2017.
- Mr. Ankitkumar Tank has resigned from the post of Company Secretary & Compliance Officer of the Company w.e.f. 14<sup>th</sup> November, 2017.

# Mr. Shreykumar Sheth has been appointed as CFO of the Company w.e.f. 1<sup>st</sup> June, 2017.

\* Mr. Shyam Kapadia has been appointed as Company Secretary & Compliance Officer of the Company w.e.f. 14<sup>th</sup> May, 2018.

## **8. DECLARATION FROM INDEPENDENT DIRECTORS AND FAMILIARISATION PROGRAMME THEREON:-**

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 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 details of the aforementioned programme is available on the Company's website at <http://www.puregiftcarat.com/document/Familiarization%20Program%20for%20Independent%20Directors.pdf>

## **9. 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, 2018, 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, 2018 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.

## **10. INITIAL PUBLIC OFFER (IPO):-**

During the Financial year 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 aggregating to Rs. 744.90/- Lakhs by the way of Fixed Price Issue Process. Your Company has received an overwhelming response from the Investors. The Issue was opened from 26<sup>th</sup> April, 2017 to 28<sup>th</sup> April, 2017 and oversubscribed by 0.22 times. The allotment was made on 4<sup>th</sup> May, 2017. Due to listing of Equity Shares on the SME Platform of BSE Limited on 8<sup>th</sup> May, 2017, the Paid up Share capital of the company has been increased from Rs.15,88,50,000/- to Rs. 21,61,50,000/-.

The trading of Equity Shares of the Company commenced on BSE Limited on 8<sup>th</sup> May, 2017. The success of IPO reflects the trust, faith and confidence that customers, business partners and markets have reposed in your Company.

## **11. SHARE CAPITAL:-**

During the year under review, your Company has increased its issued, subscribed & paid up Equity Share Capital from Rs. 15,88,50,000/- (Rupees Fifteen Crore Eighty Eight Lakh Fifty Thousand) divided into 1,58,85,000 (One Crore Fifty Eight Lakh Eighty Five Thousand) Equity Shares of Rs. 10/- each 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/- due to Initial Public offer.

## **12. USE OF PROCEEDS:-**

The proceeds of the funds raised under IPO by the Company are being utilized as per the Objects of the Issue. The disclosure in compliance with the Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations") is as under:



Sr. No.	Particulars	Projected utilization of IPO proceeds as per the Objects of Prospectus (Rs. In Lakhs)	Actual utilization of IPO proceeds upto 31 <sup>st</sup> March, 2018 (Rs. In Lakhs)	Variation (if any) (Rs. In Lakhs)
1	Working Capital Requirements	535.00	716.95	181.95
2.	General Corporate Purpose	185.90	3.21	-182.69
3.	IPO issue Expenses	24.00	24.74	0.74
	<b>Total</b>	<b>744.90</b>	<b>744.90</b>	<b>0.00</b>

There is no deviation in the use of proceeds from the object stated in the offer documents. Actual General Corporate purpose expenses incurred Rs. 3.21 Lakh and Balance is used for Working Capital Requirement and to meet IPO issue expenses.

### 13. 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.

### 14. MEETINGS OF BOARD OF DIRECTORS :-

During the year, 6 (Six) 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.

### 15. MEETINGS OF MEMBERS:-

During the year under review, 6<sup>th</sup> Annual General Meeting of the Company was held on 9<sup>th</sup> September, 2017. No Extra Ordinary General Meeting was held during the financial year.

### 16. AUDIT COMMITTEE:-

The details pertaining to the constitution and composition of the Audit Committee are included in the Corporate Governance Report. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

### 17. 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.

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.

## **18. 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:**

The Company is not engaged in any type of production. Hence, there are no extra steps taken for energy saving. However, the Company is using electricity in office and 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.

## **19. 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).

## **20. 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.

## **21. 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).

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

As on 31<sup>st</sup> March, 2018, 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. RELATED PARTY TRANSACTIONS:-**

During the year under review, there was no related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated person. Accordingly, there are no transactions that are required to be reported in form AOC-2 in terms of Section 134 of the Companies Act, 2013.

A policy on the related party transitions was framed and approved by the Board of Directors of the Company and posted on the Company's website [www.puregiftcarat.com](http://www.puregiftcarat.com).

**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-2".



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

Your 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 year under review, no complaints were received by the Company relating to sexual harassment at workplace. Further, the Company ensures that there is a healthy and safe atmosphere for every women employee/s at the workplace.

## **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 7<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. SECRETARIAL AUDIT:-**

During the year, your Company has listed its Equity Shares on SME Platform of the BSE Limited. Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Manish R. Patel, Company Secretary in Practice, Surat as Secretarial Auditor to undertake the secretarial audit of the Company for the F.Y. 2017-18. The Secretarial Audit Report in form MR-3 is attached to this report as “**Annexure-3**”. The report does not contain any qualifications, reservation or adverse remarks.

## **30. 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 – 4**”.

## **31. CORPORATE GOVERNANCE:-**

The members may please note that the provisions relating to Corporate Governance i.e. Regulation 27 and Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 – 5**”.

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.

**32. 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.

**33. 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.

**34. 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 2018-19.

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

Your Company has appointed Bigshare Services Private Limited as its Registrar and Share Transfer Agent and executed post IPO agreement between Company and Bigshare Services Private Limited on 9<sup>th</sup> May, 2017. Further, Bigshare Services Private Limited has shifted its Corporate Office at new premises situated at “1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra” w.e.f. 27<sup>th</sup> June, 2017.

**36. 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.

**37. 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.

**38. 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.



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

The Board of Directors 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.

**40. 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.

**41. 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.

**42. ACKNOWLEDGEMENT:-**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, auditors, consultants, financial institutions and Central and State Governments for their consistent support and encouragement to the Company. The Directors appreciate and value the contribution made by every members of the company.

Your Company has been able to perform efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilization of the Company’s resources for sustainable and profitable growth.

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

Place: Surat  
Date: 21/08/2018

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



**“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, 2018

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

I. REGISTRATION AND OTHER DETAILS:	
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	Plot – 828/829, 3 <sup>rd</sup> Floor, Office – 3, Shree Kuberji Complex, Athugar Street, Nanpura Main Road, Surat-395001, 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> <b>(Note:- The Registered office of the Company has been shifted to M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat w.e.f. 1<sup>st</sup> June, 2018.)</b>
Whether listed Company	Yes (The Company has listed its equity Shares on the SME Platform of BSE Limited w.e.f. 8 <sup>th</sup> May, 2017)
Name, address and contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd. <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 Email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <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>

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:			
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:			
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	99.99%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:				
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 01-04-2017)				No. of Shares held at the end of the year (as on 31-03-2018)				% 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	0	1,20,75,000	1,20,75,000	76.01	1,20,75,000	0	1,20,75,000	55.86	-20.15
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	9.92	15,75,000	0	15,75,000	7.29	-2.63
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>15,75,000</b>	<b>1,20,75,000</b>	<b>1,36,50,000</b>	<b>85.93</b>	<b>1,36,50,000</b>	<b>0</b>	<b>1,36,50,000</b>	<b>63.15</b>	<b>-22.78</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>15,75,000</b>	<b>1,20,75,000</b>	<b>1,36,50,000</b>	<b>85.93</b>	<b>1,36,50,000</b>	<b>0</b>	<b>1,36,50,000</b>	<b>63.15</b>	<b>-22.78</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>									
<b>a) Body Corporate</b>									
i) Indian	0	0	0	0.00	2,80,000	0	2,80,000	1.30	1.30
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0.00	34,87,841	1,20,000	36,07,841	16.69	16.69
ii) Individuals Shareholders holding nominal share capital in excess of Rs.1 lakh	6,63,750	12,90,000	19,53,750	12.30	13,81,250	9,22,500	23,03,750	10.66	-1.64
<b>c) Others (Specify)</b>									
i) Non Resident Indians (NRI)	0	0	0	0.00	20,000	0	20,000	0.09	0.09
ii) Hindu Undivided Family	0	2,81,250	2,81,250	1.77	5,90,000	2,81,250	8,71,250	4.03	2.26
iii) Clearing Member	0	0	0	0.00	8,82,159	0	8,82,159	4.08	4.08
<b>SUB TOTAL (B)(2):</b>	<b>6,63,750</b>	<b>15,71,250</b>	<b>22,35,000</b>	<b>14.07</b>	<b>66,41,250</b>	<b>13,23,750</b>	<b>79,65,000</b>	<b>36.85</b>	<b>22.78</b>
<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)</b>	<b>6,63,750</b>	<b>15,71,250</b>	<b>22,35,000</b>	<b>14.07</b>	<b>66,41,250</b>	<b>13,23,750</b>	<b>79,65,000</b>	<b>36.85</b>	<b>22.78</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>22,38,750</b>	<b>1,36,46,250</b>	<b>1,58,85,000</b>	<b>100.00</b>	<b>2,02,91,250</b>	<b>13,23,750</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 01-04-2017			Shareholding at the end of the year (As on 31-03-2018)			% 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	76.01	0.00	1,20,75,000	55.86	0.00	-20.15
2	Synergy Bizcon Limited	15,75,000	9.92	0.00	15,75,000	7.29	0.00	-2.63
	<b>TOTAL</b>	<b>1,36,50,000</b>	<b>85.93</b>	<b>0.00</b>	<b>1,36,50,000</b>	<b>63.15</b>	<b>0.00</b>	<b>-22.78</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 (01-04-2017)		Date	Increase/ Decrease in the Shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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	76.01	01-04-2017	-	-	1,20,75,000	76.01
				31-03-2018	-	-	1,20,75,000	55.86
2	Synergy Bizcon Limited*	15,75,000	9.92	01-04-2017	-	-	15,75,000	9.92
				31-03-2018	-	-	15,75,000	7.29

\* Due to listing of Equity Shares on the SME Platform of BSE Limited through an Initial Public Offer (IPO), the Paid up Share capital of the company has been increased from Rs.15,88,50,000/- to Rs. 21,61,50,000/-. Hence, there is change in Promoters' Shareholding.

<b>iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs):</b>								
Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2017)		Date	Increase/ Decrease in the Shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Jainam Share Consultants Pvt Ltd.*	0	0.00	01-04-2017	-	-	0	0.00
				12-05-2017	6,30,000	Purchase	6,30,000	2.91
				26-05-2017	-30,000	Sale	6,00,000	2.78
				09-06-2017	-40,000	Sale	5,60,000	2.59
				30-06-2017	30,000	Purchase	5,90,000	2.73
				14-07-2017	-10,000	Sale	5,80,000	2.68
				21-07-2017	-10,000	Sale	5,70,000	2.64
				18-08-2017	10,000	Purchase	5,80,000	2.68
				25-08-2017	10,000	Purchase	5,90,000	2.73
				01-09-2017	-10,000	Sale	5,80,000	2.68
				08-09-2017	10,000	Purchase	5,90,000	2.73
				22-09-2017	-10,000	Sale	5,80,000	2.68
				29-09-2017	30,000	Purchase	6,10,000	2.82
				06-10-2017	-20,000	Sale	5,90,000	2.73
				13-10-2017	-10,000	Sale	5,80,000	2.68
				27-10-2017	20,000	Purchase	6,00,000	2.78
				17-11-2017	-10,000	Sale	5,90,000	2.73
				08-12-2017	10,000	Purchase	6,00,000	2.78
				15-12-2017	-10,000	Sale	5,90,000	2.73
				22-12-2017	-10,000	Sale	5,80,000	2.68
12-01-2018	-10,000	Sale	5,70,000	2.64				
19-01-2018	10,000	Purchase	5,80,000	2.68				
26-01-2018	10,000	Purchase	5,90,000	2.73				
02-02-2018	-10,000	Sale	5,80,000	2.68				
09-02-2018	-10,000	Sale	5,70,000	2.64				
16-02-2018	10,000	Purchase	5,80,000	2.68				



				23-02-2018	10,000	Purchase	5,90,000	2.73
				02-03-2018	10,000	Purchase	6,00,000	2.78
				16-03-2018	10,000	Purchase	6,10,000	2.82
				23-03-2018	-20,000	Sale	5,90,000	2.73
				30-03-2018	10,000	Purchase	6,00,000	2.78
				31-03-2018	-	-	6,00,000	2.78
2	Fairwealth Securities Limited*	0	0.00	01-04-2017	-	-	0	0.00
				12-05-2017	50,000	Purchase	50,000	0.23
				19-05-2017	1,90,000	Purchase	2,40,000	1.11
				26-05-2017	20,000	Purchase	2,60,000	1.20
				02-06-2017	30,000	Purchase	2,90,000	1.34
				09-06-2017	10,000	Purchase	3,00,000	1.39
				02-03-2018	-30,000	Sale	2,70,000	1.25
				31-03-2018	-	-	2,70,000	1.25
3	Bonanza Portfolio Ltd*	0	0.00	01-04-2017	-	-	0	0.00
				12-05-2017	90,000	Purchase	90,000	0.42
				26-05-2017	10,000	Purchase	1,00,000	0.46
				02-06-2017	10,000	Purchase	1,10,000	0.51
				14-07-2017	10,000	Purchase	1,20,000	0.56
				21-07-2017	10,000	Purchase	1,30,000	0.60
				28-07-2017	20,000	Purchase	1,50,000	0.69
				04-08-2017	10,000	Purchase	1,60,000	0.74
				06-10-2017	80,000	Purchase	2,40,000	1.11
				17-11-2017	-20,000	Sale	2,20,000	1.02
				29-12-2017	-70,000	Sale	1,50,000	0.69
				05-01-2018	20,000	Purchase	1,70,000	0.79
				12-01-2018	20,000	Purchase	1,90,000	0.88
				26-01-2018	10,000	Purchase	2,00,000	0.93
				23-02-2018	10,000	Purchase	2,10,000	0.97
				16-03-2018	10,000	Purchase	2,20,000	1.02
				31-03-2018	-	-	2,20,000	1.02
4	Joshi Prakash Vaikuthbhai	1,57,500	0.99	01-04-2017	-	-	1,57,500	0.99
				31-03-2018	-	-	1,57,500	0.73
5	Sanghavi Ashokkumar Rupchand - HUF	1,57,500	0.99	01-04-2017	-	-	1,57,500	0.99
				31-03-2018	-	-	1,57,500	0.73
6	Batukbhai Kalidasbhai Dudharejia	1,57,500	0.99	01-04-2017	-	-	1,57,500	0.99
				31-03-2018	-	-	1,57,500	0.73
7	Sureshkumar Mafatlal Joshi	1,46,250	0.92	01-04-2017	-	-	1,46,250	0.92
				31-03-2018	-	-	1,46,250	0.68
8	Jamabhai Bababhai Desai	1,46,250	0.92	01-04-2017	-	-	1,46,250	0.92
				31-03-2018	-	-	1,46,250	0.68
9	Joshi Asharam Jayantibhai	1,35,000	0.85	01-04-2017	-	-	1,35,000	0.85
				31-03-2018	-	-	1,35,000	0.62



10	Joshi Mohanbhai Manilal	0	0.00	01-04-2017	-	-	0	0.00
				08-12-2017	1,35,000	Purchase	1,35,000	0.62
				31-03-2018	-	-	1,35,000	0.62
11	Vipul Gordhanbhai Sakariya	1,35,000	0.85	01-04-2017	-	-	1,35,000	0.85
				31-03-2018	-	-	1,35,000	0.62
12	Manish Chhotalal Sanghvi	1,35,000	0.85	01-04-2017	-	-	1,35,000	0.85
				31-03-2018	-	-	1,35,000	0.62
13	Radheshyam Kalidash Dudhrejiya	1,35,000	0.85	01-04-2017	-	-	1,35,000	0.85
				31-03-2018	-	-	1,35,000	0.62

\* Not in the list of top 10 Shareholders as on 01-04-2017. The same has been reflected above since the Shareholder was one of the top 10 shareholders as on 31-03-2018.

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

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (01-04-2017)		Date	Increase/ Decrease in the Shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Shwet Koradiya (Chairman & Managing Director)	0	0	01-04-2017	-	-	0	0.00
				31-03-2018	-	-	0	0.00
2	Brijeshkumar Mali (Independent Director)	0	0	01-04-2017	-	-	0	0.00
				31-03-2018	-	-	0	0.00
3	Paresh Lathiya (Independent Director)	0	0	01-04-2017	-	-	0	0.00
				31-03-2018	-	-	0	0.00
4	Shweta Gandhi (Independent Director) @	0	0	01-04-2017	-	-	0	0.00
				31-03-2018	-	-	N.A.	N.A.
5	Niki Doshi (Additional Independent Director) #	0	0	01-04-2017	-	-	N.A.	N.A.
				31-03-2018	-	-	0	0.00
6	Bhavin Chandura (Chief Financial Officer) \$	0	0	01-04-2017	-	-	0	0.00
				31-03-2018	-	-	N.A.	N.A.
7	Shreykumar Sheth (Chief Financial Officer) ^	0	0	01-04-2017	-	-	N.A.	N.A.
				31-03-2018	-	-	0	0.00
8	Ankitkumar Tank (Company Secretary) *	0	0	01-04-2017	-	-	0	0.00
				31-03-2018	-	-	N.A.	N.A.

@ Ceased from Independent Director of the Company w.e.f. 14-11-2017

# Appointed as an Additional Independent Director of the Company w.e.f. 15-11-2017

\$ Ceased from the post of Chief Financial Officer of the Company w.e.f. 31-05-2017

^ Appointed as Chief Financial Officer of the Company w.e.f. 01-06-2017

\* Ceased from the post of Company Secretary of the Company w.e.f. 14-11-2017.



<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.	2,40,000	2,40,000
	(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>2,40,000</b>	<b>2,40,000</b>
<b>Total (A)</b>			<b>2,40,000</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>Shweta Gandhi @</b>	<b>Niki Doshi *</b>	
	(a) Fee for attending Board & Committee Meetings	32,000	32,000	24,000	6,000	94,000
	(b) Commission	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0
	<b>Total (1)</b>	<b>32,000</b>	<b>32,000</b>	<b>24,000</b>	<b>6,000</b>	<b>94,000</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>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
<b>Total Managerial Remuneration (A+B)</b>						<b>3,34,000</b>
Overall Ceiling as per the Act^						

^ 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. 14-11-2017

\* Appointed as an Additional Independent Director w.e.f. 15-11-2017





<b>C. Remuneration to Key Managerial Personnel other than MD/Manager/WDT:</b>					
Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total (in Rs.)
		Ankitkumar Tank* (Company Secretary)	Bhavin Chandura@ (Chief Financial Officer)	Shreykumar Sheth# (Chief Financial Officer)	
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	1,44,000	30,000	2,60,000	4,34,000
	(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>1,44,000</b>	<b>30,000</b>	<b>2,60,000</b>	<b>4,34,000</b>

\* Ceased from the post of Company Secretary of the Company w.e.f. 14-11-2017  
@ Ceased from the post of Chief Financial Officer of the Company w.e.f. 31-05-2017  
# Appointed as Chief Financial Officer of the Company w.e.f. 01-06-2017

<b>VII) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:</b>					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
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 : 21/08/2018



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

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

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

- (i) The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Sr. No.	Name	Designation	Remuneration (In Rs.)	Sitting Fees (In Rs.)	Ratio to median remuneration
1	Mr. Shwet Koradiya	Chairman & Managing Director	2,40,000	-	0.71
2	Mr. Brijeshkumar Mali	Independent Director	-	32,000	0.10
3	Mr. Paresh Lathiya	Independent Director	-	32,000	0.10
4	Ms. Niki Doshi	Independent Director	-	6,000	0.02

- (ii) The median remuneration of the Company for all its employees is Rs. 3,36,000 for the financial year 2017-18.
- (iii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary or Manager, if any, in the financial year: During the year, no increment in remuneration paid to any Directors, Chief Financial Officer and Company Secretary.
- (iv) The Percentage increase in the median remuneration of employees in the financial year 2017-18 is 1.91%.
- (v) The number of permanent employees on the rolls of Company at the end of the financial year 2017-18 is 8.
- (vi) 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 point out if there are any exceptional circumstances for increase in the managerial remuneration: Average percentile increase made in the salaries of the employees other than the managerial personnel in the last financial year was NIL and there is no increment in the remuneration of Managerial Personnel. Hence, comparison is not provided.
- (vii) 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.

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

Place: Surat  
Date: 21/08/2018

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



**“ANNEXURE - 3” TO DIRECTOR’S REPORT**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

[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, 2018**, 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, 2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent applicable.
- (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;
  - (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.
- (ii) The Listing Agreement entered into by the Company with Stock Exchange 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 was given to BSE Ltd. and all Directors to schedule the Board Meetings except in three cases wherein the Board of Directors have been given Short Notice considering the urgency of agenda to be transacted. The agenda alongwith detailed notes to agenda were sent sufficiently in advance and a reasonable system exists for Board Members to seek and obtain further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

Majority decision is carried through and proper system is in place which facilitates/ensure to capture and record the dissenting member's views, if any, 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 under review, the event/action having a major bearing on the Company's affairs in pursuance of the above mentioned laws, rules, regulations, guidelines, standards, etc. is as mentioned below:

1. The Company had issued a Prospectus on 17<sup>th</sup> April, 2017 and the basis of allotment was finalized in consultation with the BSE Limited on 4<sup>th</sup> May, 2017. The Company has allotted fully paid up 57,30,000 Equity Shares of Rs. 10/- each at a price of Rs. 13/- per Share (including premium of Rs. 3/- per Share) aggregating to Rs. 744.90 Lakh by way of fixed price issue process. The Equity Shares of the Company were listed and admitted to dealings on the SME Platform of BSE Limited with effect from 8<sup>th</sup> May, 2017.

Date: 21/08/2018

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: 21/08/2018  
Place: Surat

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



---

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**a. Industry Structure and Developments**

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.

**b. 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 focussed 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.

**c. Segment-wise or products-wise performance**

During the year under review, the Company is engaged in only one segment i.e. wholesale trading of Precious Metals, Stones & Jewellery. Hence, Segment wise or products-wise reporting is not applicable.

**d. 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.

**e. 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.

**f. Discussion on financial performance with respect to operational performance**

The Net Income of your Company for the current year was decreased to Rs. 24,14,91,046.39/- as against Net Income of Rs. 97,85,48,806.45/- of the previous year. Accordingly, the Company's Net Profit After Tax has been increased to Rs. 12,20,951.64/- for the current year as against the Net Profit After Tax of Rs. 8,86,199.45/- of the previous year.

**g. 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. As on March 31, 2018, the Company had 8 employees. The industrial relations scenario has remained harmonious throughout the year.



**h. 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, 2017-18.

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

Place: Surat  
Date : 21/08/2018

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



**“ANNEXURE – 5” 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, 2018, the Company has 4 (Four) Directors. Out of the 4 (Four) Directors, 3(Three) Directors are Non-Executive Independent Directors and 1 (One) 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, 2018 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. The half of the Board has Non Executive Independent Directors.



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

During the year under review, 6 (Six) Board Meetings were held by the Company on the below mentioned dates as under:

1.	17 <sup>th</sup> April, 2017	2.	4 <sup>th</sup> May, 2017	3.	30 <sup>th</sup> May, 2017
4.	10 <sup>th</sup> August, 2017	5.	14 <sup>th</sup> November, 2017	6.	12 <sup>th</sup> March, 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 31.03.2018
			Board Meetings	Last AGM	
Mr. Shwet Koradiya	Chairman & Managing Director	ED	5	Yes	Nil
Mr. Brijeshkumar Mali	Director	NEID	6	Yes	Nil
Mr. Paresh Lathiya	Director	NEID	6	Yes	Nil
Mrs. Shweta Gandhi*	Director	NEID	4	Yes	Nil
Mrs. Niki Doshi @	Director	NEID	1	N.A.	Nil

ED – Executive Director

NEID – Non Executive Independent Director

\* Ceased as Non-Executive Independent Director w.e.f. 14/11/2017.

@Appointed as an Additional Independent Director w.e.f. 15/11/2017.

(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 \$\$	No. of Committees in which Member (other than PGL) \$\$	No. of Committees in which Chairman (other than PGL) \$\$
Mr. Shwet Koradiya	2	--	--
Mr. Brijeshkumar Mali	1	2	2
Mr. Paresh Lathiya	--	--	--
Mrs. Niki Doshi	--	--	--

\$\$ 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.

The Agenda for the Board Meetings together with the appropriate supporting documents and relevant information are circulated well in advance of the meetings to enable the Board to take the informed decisions.

The Company has a process to provide, inter-alia, the 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.



**(viii) Independent Directors:**

➤ **Appointment of Directors**

As per the provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation. Your Board has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and the SEBI Listing Obligations and Disclosure Requirements, Regulations, 2015. 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.

➤ **Criteria of Selection of Independent Directors**

The Nomination and Remuneration Committee considers, inter alia, the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Independent Director:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or at Senior Management level and recommend to the Board his / her appointment;
- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Managing Director or Whole Time Director or manager, who is below the age of twenty one years or has attained the age of seventy years.

In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively. The Nomination and Remuneration Committee ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013. In case of re-appointment of Independent Directors, the Board takes into consideration the performance evaluation of the Independent Directors and their engagement level.

➤ **Familiarization Program**

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

➤ **Separate Meeting of Independent Directors**

During the year 2017-18, the separate meeting of the Independent Directors was held on 12<sup>th</sup> March, 2018, 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 is given below:

Name	Designation	Category	No. of Meetings attended
Mr. Brijeshkumar Mali	Chairman	NEID	1
Mr. Paresh Lathiya	Member	NEID	1
Mrs. Niki Doshi	Member	NEID	1

*NEID: Non-Executive Independent Director*



**(ix) 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/CEO 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.

**(x) 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 insecurities 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.

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

The Notes on Directors seeking Appointment/Re-appointment are provided in the Notice convening the 7<sup>th</sup> Annual General Meeting of the Company.

**(xii) 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:-**

### **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 an 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 2017-18, the Audit Committee met 4 (Four) times on 30<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017 and 12<sup>th</sup> March, 2018, and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.

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. Paresh Lathiya	Member	NEID	4
Mrs. Shweta Gandhi@	Member	NEID	2
Mrs. Niki Doshi #	Member	NEID	1

NEID: Non-Executive Independent Director

@ Ceased as Member w.e.f. 14/11/2017.

# Appointed as Member w.e.f. 15/11/2017

- (vi) The Company Secretary acts as a Secretary to the Committee.
- (vii) The Chairman of the Audit Committee attended 6<sup>th</sup> AGM held on 09/09/2017. The Minutes of all above stated meeting of the Audit Committee were noted at the Board Meeting.

## 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 2017-18, 2 (Two) meetings of the Nomination and Remuneration Committee were held on 30<sup>th</sup> May, 2017 and 14<sup>th</sup> November, 2017.

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	2
Mr. Paresh Lathiya	Member	NEID	2
Mrs. Shweta Gandhi@	Member	NEID	2
Mrs. Niki Doshi#	Member	NEID	0

*NEID: Non-Executive Independent Director*

@ Ceased as Member w.e.f. 14/11/2017.

# Appointed as Member w.e.f.15/11/2017.

➤ **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 2016-17. Accordingly, your Company has paid Sitting Fees to its Non-Executive Independent Directors. Your Company has also paid remuneration of Rs. 20,000/- 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)	2,40,000	-	-	-	-	-	2,40,000	Upto 30 <sup>th</sup> June, 2019
Mr. Brijeshkumar Mali (Independent Director)	-	32,000	-	-	-	-	32,000	Upto 30 <sup>th</sup> June, 2021
Mr. Paresh Lathiya (Independent Director)	-	32,000	-	-	-	-	32,000	Upto 30 <sup>th</sup> June, 2021
Mrs. Shweta Gandhi (Independent Director)	-	6,000	-	-	-	-	6,000	Ceased w.e.f. 14 <sup>th</sup> November, 2017
Mr. Niki Doshi (Independent Director)	-	24,000	-	-	-	-	24,000	Upto 14 <sup>th</sup> November, 2022

The Minutes of Nomination and Remuneration Committee meeting were noted at the Board Meeting.

(a) 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.

(b) 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, COO, CFO, CS and Senior management personnel:**

The remuneration of CEO, COO, 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.
- (c) During the Financial Year 2017-18, 4 (Four) meetings of the Stakeholders' Relationship Committee were held on 30<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017 and 12<sup>th</sup> March, 2018.

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. Shweta Gandhi@	Member	NEID	2
Mrs. Niki Doshi #	Member	NEID	1

*NEID: Non-Executive Independent Director*

@ Ceased as Member w.e.f. 14/11/2017.

# Appointed as Member w.e.f. 15/11/2017.

Mr. Ankitkumar Tank, Company Secretary of the Company act as a Compliance Officer of the Company upto the 14<sup>th</sup> November, 2017. However, The Company in its Board Meeting held on 14<sup>th</sup> May, 2018 has appointed Mr. Shyam Kapadia 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 31/03/2018.



**D. GENERAL BODY MEETING: -**

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

<b>AGM for the Financial Year ended</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>	<b>Special Resolution Passed</b>
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.
2014-15	28 <sup>th</sup> September, 2015	10:00 A.M.	101, Siddh Chambers, Taratiya Hanuman Street, Gurjar Falia, Haripura, Surat-395003, 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**

During the year, No Postal Ballot was conducted.

**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 following link <http://www.puregiftcarat.com/document/Policy%20on%20Related%20Party%20Transaction.pdf>.
- (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 following link <http://www.puregiftcarat.com/document/Policy%20on%20Vigil%20Mechanism.pdf>. 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 following link <http://www.puregiftcarat.com/document/Archival%20Policy.pdf>.
- (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, 2018.
- (vii) The Company has complied with all mandatory requirements of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **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 publish 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: -**

<b>1.</b>	<b>AGM : Date, Time and Venue</b>	Thursday, 20 <sup>th</sup> September, 2018, 3:00 p.m. at M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat.
<b>2.</b>	<b>Financial Year (Proposed)</b>	Financial Year 2018-19 consists of 12 (Twelve) months starting from 1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019.
<b>3.</b>	<b>Dividend Payment Date</b>	The Company has not declared any Dividend in the Financial Year 2017-18.
<b>4.</b>	<b>Listing on Stock Exchange</b>	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra
<b>5.</b>	<b>Payment of Annual Listing Fees</b>	The Listing fees for Financial Year 2018-19 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 2018-19.
<b>6.</b>	<b>Stock Code</b>	BSE: 540492
<b>7.</b>	<b>Security ISIN No.</b>	INE594W01026
<b>8.</b>	<b>Cut-off Date</b>	13 <sup>th</sup> September, 2018
<b>9.</b>	<b>Date of Book Closure</b>	The Company's Register of Members and Share Transfer Books shall remain closed from 14 <sup>th</sup> September, 2018 to 20 <sup>th</sup> September, 2018. (both days inclusive).
<b>10.</b>	<b>Investor Services – Queries / Complaints during the period ended</b>	During the period from 1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018, no queries/complaints/requests were received by the Company from the Shareholders and Investors.
<b>11.</b>	<b>Company's Registration Number</b>	CIN of the Company is L36910GJ2011PLC065141.



<b>12.</b>	<b>Registered Office</b>	M-40, Second Floor, VIP Plaza, Near Shyam Temple, Vesu, Surat-395007, Gujarat.
<b>13.</b>	<b>Company's Website</b>	<a href="http://www.puregiftcarat.com">www.puregiftcarat.com</a>
<b>14.</b>	<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 2017-18 is tabulated below:

Month	BSE	
	Month's High Price (Rs.)	Month's Low Price (Rs.)
May-2017	14.50	10.80
June-2017	13.20	11.31
July-2017	13.15	11.10
August-2017	13.20	8.32
September-2017	17.30	11.95
October-2017	15.00	11.65
November-2017	16.70	13.40
December-2017	16.40	13.25
January-2018	21.00	15.55
February-2018	18.50	12.70
March-2018	22.80	13.29

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

	Pure Giftcarat Limited	BSE
As on 8 <sup>th</sup> May, 2017	13.25	29926.15
As on 31 <sup>st</sup> March, 2018	22.80	32968.68
Change (%)	72.08%	10.17%

**17. 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 Email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>	<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>
Share Transfer and Dematerialisation System	The complete work related to share transfer and dematerialisation is carried out by the above stated 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.



**18. Distribution of Shareholding as on 31-03-2018:-**

Category	No. of Shareholders	% of total Shareholders	No. of Shares held	% of Shareholding
1 - 5000	1	0.45	426	0.00
5001 - 10000	105	47.08	10,49,574	4.86
10,001 & above	117	52.47	2,05,65,000	95.14
<b>Total</b>	<b>223</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>	13	5.83	13,23,750	6.13
<b>Electronic Mode</b>	210	94.17	2,02,91,250	93.87
<b>Total</b>	<b>223</b>	<b>100.00</b>	<b>2,16,15,000</b>	<b>100.00</b>

**19. Shareholding Pattern as on 31-03-2018:-**

Category Code	Category	No. of Shareholders	No. of Shares	% of total Share capital
(A)	<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>Public Shareholding</b>			
(1)	Institutions	0	0	0.00
(2)	Non-Institutions			
	- Individuals	182	59,11,591	27.35
	- Hindu Undivided Family	28	8,71,250	4.03
	- N. R. I.	2	20,000	0.09
	- Clearing Members	5	8,82,159	4.08
	- Other Bodies Corporate	4	2,80,000	1.30
	<b>Sub-Total (B)</b>			
(C)	<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>223</b>	<b>2,16,15,000</b>	<b>100.00</b>

**20. Dematerialisation of Shares & Liquidity:-**

As on 31<sup>st</sup> March, 2018, Equity Shares comprising 93.87% of the Company's Equity Share Capital have been dematerialised.

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

The Company has not issued GDRs/ADRs as on 31<sup>st</sup> March, 2018. No Warrants/Convertible Instruments were outstanding for conversion as on 31<sup>st</sup> March, 2018.



## **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:

**Mr. Shyam Kapadia**  
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. 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.

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

The Company has listed its Equity Shares during financial year 2017-18 i.e. 8<sup>th</sup> May, 2017 on SME Platform of the BSE Limited. Hence, 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. Listing Agreement:-**

The Securities and Exchange Board of India (SEBI), on 2<sup>nd</sup> September, 2015, issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective 1<sup>st</sup> December, 2015. Accordingly, all listed entities are required to enter into the Listing Agreement. The Company entered into Listing Agreement with the BSE Limited on 4<sup>th</sup> May, 2017.





**26. 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 2017-18.

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

Place: Surat  
Date: 21/08/2018

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



**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, 2018. These Codes are available on the Company's website.

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

Place: Surat  
Date: 21/08/2018

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



---

**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, 2018 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: 21/08/2018



---

**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, 2018, 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 2018;
- (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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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

**Place: Surat**  
**Date : 14.05.2018**

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



**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, 2018)

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 raised monies by way of initial public offer (IPO) of 57,30,000 Equity Shares of Rs. 10/- each at a price of Rs. 13/- per Share (including premium of Rs. 3/- per Share) aggregating to Rs. 744.90 Lakh by way of fixed price issue process; and the money raised by way of initial public offer were utilized for the purpose for which those are raised.
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,

**(H. B. Kansariwala)**

Partner

Membership No. 032429

Firm Registration No. 123689W

Peer Review No. PU0102793706

**Place: Surat**

**Date : 14.05.2018**



## **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, 2018 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, 2018, 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

Membership No. 032429

Firm Registration No. 123689W

Peer Review No. PU0102793706

**Place: Surat**

**Date : 14.05.2018**



PURE GIFTCARAT LIMITED  
(CIN: L36910GJ2011PLC065141)

Balance Sheet as at March 31, 2018

(in Rs.)

Particulars	Note	Figures for the Year as at 31.03.2018	Figures for the Year as at 31.03.2017
<b>EQUITY AND LIABILITIES</b>			
Share Capital	c.1	21,61,50,000.00	15,88,50,000.00
Reserves and Surplus	c.2	1,98,67,198.37	14,56,246.73
<b>Total Shareholders' Funds</b>		<b>23,60,17,198.37</b>	<b>16,03,06,246.73</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	81,19,697.00	86,14,513.00
Other current liabilities		-	-
Short-term provisions	c.4	9,67,066.88	6,34,158.16
<b>Total Current Liabilities</b>		<b>90,86,763.88</b>	<b>92,48,671.16</b>
<b>TOTAL</b>		<b>24,51,03,962.25</b>	<b>16,95,54,917.89</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	c.5		
Tangible assets		3,75,779.26	4,99,675.42
Intangible assets		-	-
Intangible assets under development		5,29,36,000.00	5,29,36,000.00
		<b>5,33,11,779.26</b>	<b>5,34,35,675.42</b>
Non-current investments		-	-
Deferred Tax Assets	c.6	69,351.00	95,522.00
Long term loans and advances		-	-
Other non-current assets		-	-
<b>Total Non-current assets</b>		<b>5,33,81,130.26</b>	<b>5,35,31,197.42</b>
<b>Current assets</b>			
Current investments		-	-
Inventories	c.7	7,03,20,004.64	9,18,63,979.97
Trade receivables	c.8	12,02,89,907.00	2,35,79,865.00
Cash and cash equivalents	c.9	2,66,796.51	4,97,335.50
Short-term loans and advances	c.10	8,46,123.84	82,540.00
Other current assets		-	-
<b>Total Current assets</b>		<b>19,17,22,831.99</b>	<b>11,60,23,720.47</b>
<b>TOTAL</b>		<b>24,51,03,962.25</b>	<b>16,95,54,917.89</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

**Niki Doshi**  
Additional Director  
DIN: 07940941

**Shreykumar Sheth**  
CFO  
PAN: EILPS2829J

**Shyam Kapadia**  
Company Secretary  
ACS - 55158

Place : Surat  
Date : 14.05.2018

Place : Surat  
Date : 14.05.2018



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

**Profit and Loss Statement for the year ended March 31, 2018**

(in Rs.)

Particulars	Note	Figures for the Year ended 31.03.2018	Figures for the Year ended 31.03.2017
Revenue From Operations	c.11	24,14,90,061.00	97,85,48,806.45
Other Operating income	c.12	985.39	-
<b>Total Revenue</b>		<b>24,14,91,046.39</b>	<b>97,85,48,806.45</b>
<b>Expenses:</b>			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade	c.13	21,23,29,199.69	1,02,68,79,891.18
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	c.14	2,15,43,975.33	(5,76,17,261.53)
Employee benefits expense	c.15	23,58,495.00	47,88,140.00
Finance costs		-	-
Depreciation and amortization expense	c.16	1,83,307.16	1,48,663.58
Other expenses	c.17	12,58,698.57	30,53,032.77
<b>Total expenses</b>		<b>23,76,73,675.75</b>	<b>97,72,52,466.00</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>38,17,370.64</b>	<b>12,96,340.45</b>
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>38,17,370.64</b>	<b>12,96,340.45</b>
Extraordinary Items	c.18	(17,70,948.00)	-
<b>Profit before tax</b>		<b>20,46,422.64</b>	<b>12,96,340.45</b>
<b>Tax expense:</b>			
Current tax		7,99,300.00	4,26,735.00
Deferred Tax Liabilities/(Assets)		26,171.00	(16,594.00)
Prior year's tax adjustment		-	-
<b>Profit (Loss) for the period from continuing operations</b>		<b>12,20,951.64</b>	<b>8,86,199.45</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>12,20,951.64</b>	<b>8,86,199.45</b>
<b>Earnings per equity share:</b>			
Basic		0.06	0.06
Diluted		0.06	0.06
As per our report of even date, <b>FOR KANSARIWALA &amp; CHEVLI</b> Chartered Accountants,			
		<b>FOR PURE GIFTCARAT LIMITED</b>	
		<b>Shwet Koradiya</b> Managing Director DIN: 03489858	<b>Niki Doshi</b> Additional Director DIN: 07940941
<b>(H. B. Kansariwala)</b> Partner Membership No. 032429 Firm Registration No. 123689W Peer Review No. PU0102793706		<b>Shreykumar Sheth</b> CFO PAN: EILPS2829J	<b>Shyam Kapadia</b> Company Secretary ACS - 55158
<b>Place : Surat</b> <b>Date : 14.05.2018</b>		<b>Place : Surat</b> <b>Date: 14.05.2018</b>	



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

**Cash Flow Statement for the year ended 31.03.2018**

(in Rs.)

PARTICULARS	Figures for the Year ended 31.03.2018	Figures for the Year ended 31.03.2017
<b>A CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS</b>	38,17,370.64	12,96,340.45
Adjustments for:		
Depreciation	1,83,307.16	1,48,663.58
Preliminary Expenses Written Off	-	-
Interest & Finance Charges	-	-
<b>Operating Profit before Working Capital Changes</b>	40,00,677.80	14,45,004.03
Adjustments for:		
(Increase)/Decrease in Debtors	(9,67,10,042.00)	1,49,94,275.50
(Increase)/Decrease in Inventories	2,15,43,975.33	(5,76,17,261.53)
(Increase)/Decrease in Loan & advances	(7,63,583.84)	(31,340.00)
Increase/(Decrease) in Trade Payables	(4,94,816.00)	(97,29,208.00)
Increase/(Decrease) in Other Current Liabilities	-	-
Increase/(Decrease) in Short term provision	(2,13,411.28)	(1,39,449.00)
<b>Cash generated from operations</b>	(7,66,37,877.79)	(5,25,22,983.03)
Income Tax paid	2,52,980.00	4,26,735.00
<b>Net Cash Inflow/(Outflow) from Operating activities (A)</b>	<b>(7,28,90,179.99)</b>	<b>(5,15,04,714.00)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(59,411.00)	(1,43,590.00)
Purchase of Investments	-	-
<b>Net Cash Inflow/(Outflow) from Investing activities (B)</b>	<b>(59,411.00)</b>	<b>(1,43,590.00)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest & Finance Charges	-	-
Proceeds from Share Issued	7,44,90,000.00	-
Proceeds / (Repayment) : Short Term Borrowing	-	-
Proceeds / (Repayment) : Long Term Liabilities	-	-
Proceeds / (Repayment) : Long Term Borrowing	-	-
Payment for Extraordinary items : IPO Expenses	(17,70,948.00)	-
<b>Net Cash used in Financing activities (C)</b>	<b>7,27,19,052.00</b>	<b>-</b>
<b>Net Change in Cash &amp; Cash Equivalents (A) + (B) + (C)</b>	<b>(2,30,538.99)</b>	<b>(5,16,48,304.00)</b>
Cash and Cash equivalents as at the beginning of the period	4,97,335.50	5,21,45,639.50
<b>Cash and Cash equivalents as at the end of the period</b>	<b>2,66,796.51</b>	<b>4,97,335.50</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 : 14.05.2018

**FOR PURE GIFTCARAT LIMITED**

<b>Shwet Koradiya</b> Managing Director DIN: 03489858	<b>Niki Doshi</b> Additional Director DIN: 07940941
<b>Shreykumar Sheth</b> CFO PAN: EILPS2829J	<b>Shyam Kapadia</b> Company Secretary ACS - 55158

Place : Surat  
Date : 14.05.2018



**NOTES SCHEDULE TO AND FORMING PARTS OF ACCOUNTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2018:**

**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 31.03.2018		Figures for the Year ended 31.03.2017	
	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	2,20,00,000	22,00,00,000	2,20,00,000	22,00,00,000
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP:</b>				
Equity Shares of Rs.10 each	2,16,15,000	21,61,50,000	1,58,85,000	15,88,50,000

Particulars	Figures for the Year ended 31.03.2018		Figures for the Year ended 31.03.2017	
	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	1,58,85,000	15,88,50,000	1,58,85,000	15,88,50,000
Add: 57,30,000 Equity shares of Rs. 10/- each fully paid up through IPO*	57,30,000	5,73,00,000	-	-
Shares outstanding at the end of the Year/period	<b>2,16,15,000</b>	<b>21,61,50,000</b>	<b>1,58,85,000</b>	<b>15,88,50,000</b>

\* During the Financial year 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 31.03.2018		Figures for the Year ended 31.03.2017	
	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	1,20,75,000	55.86%	1,20,75,000	76.02%
Synergy Bizcon Limited	15,75,000	7.29%	15,75,000	9.92%



**Notes to the Financial Statements**  
**PURE GIFTCARAT LIMITED**

<b>Note : c.2 - Reserves and Surplus:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
<b>A. SURPLUS IN STATEMENT OF PROFIT AND LOSS ACCOUNT:</b>		
Balance as per the last Balance Sheet	<b>14,56,246.73</b>	5,70,047.28
Add : Profit for the reporting period	<b>12,20,951.64</b>	8,86,199.45
(A)	<b>26,77,198.37</b>	14,56,246.73
<b>B. SECURITIES PREMIUM ACCOUNT:</b>		
Balance as per the last Balance Sheet	-	-
Add : Securities Premium on issue of Shares	<b>1,71,90,000.00</b>	-
(B)	<b>1,71,90,000.00</b>	-
(A+B)	<b>1,98,67,198.37</b>	14,56,246.73

<b>Note : c.3 - Trade Payable:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
Total outstanding dues of Micro and Small Enterprise	-	-
Total outstanding dues of creditors other than Micro and Small Enterprise	<b>81,19,697.00</b>	86,14,513.00
	<b>81,19,697.00</b>	86,14,513.00

<b>Note : c.4 - Short-term Provisions:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
DUTIES AND TAXES	<b>(3,36,763.48)</b>	(20,023.84)
INCOME TAX PROVISION (Net of advance tax of Rs. 2,00,100/-)	<b>7,99,300.00</b>	2,26,635.00
PROFESSIONAL TAX (EMPLOYEE)	<b>2,640.00</b>	15,980.00
REMUNERATION PAYABLE	<b>20,000.00</b>	60,000.00
RENT PAYABLE	<b>4,750.00</b>	3,750.00
SALARY PAYABLE	<b>1,82,761.00</b>	1,38,734.00
SITTING FEES PAYABLE	<b>18,000.00</b>	12,000.00
STATUTORY AUDIT FEES	<b>1,98,750.00</b>	1,31,250.00
TDS PAYABLE	<b>10,250.00</b>	65,546.00
GST PAYABLE ON SITTING FEES	<b>16,200.00</b>	-
CDSL PROCESSING FEES	<b>29,700.00</b>	-
SHARE REGISTRY SERVICES PAYABLE	<b>5,900.00</b>	-
SALES TAX FILING FEES	<b>15,000.00</b>	-
DEMAT CHARGES PAYABLE	<b>579.36</b>	-
TELEPHONE BILL PAYABLE	-	287.00
	<b>9,67,066.88</b>	6,34,158.16

<b>Note: c.6 - Deferred Tax:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:		
DEFERRED TAX ASSETS		
DEPRECIATION	<b>69,351.00</b>	95,522.00
DEFERRED TAX LIABILITIES		
DEPRECIATION	-	-
	<b>69,351.00</b>	95,522.00







<b>Note : c.7 - Inventories:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
(The Inventory is valued at lower of cost and net realisable value) CLOSING STOCK (STOCK IN TRADE)		
GOLD JEWELLERY	20,25,523.65	20,26,082.09
POLISHED DIAMOND	6,82,94,480.99	8,98,37,897.88
	<b>7,03,20,004.64</b>	<b>9,18,63,979.97</b>

<b>Note : c.8 - Trade Receivables:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
(Unsecured, considered goods) Outstanding for a period exceeding six months from the date they are due for payment. SUNDRY DEBTORS		
	12,02,89,907.00	2,35,79,865.00
	<b>12,02,89,907.00</b>	<b>2,35,79,865.00</b>

<b>Note : c.9 - Cash and cash equivalents:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
BALANCE WITH BANK	1,08,321.51	3,61,017.50
CASH ON HAND	1,58,475.00	1,36,318.00
	<b>2,66,796.51</b>	<b>4,97,335.50</b>

<b>Note : c.10 - Short-term loans and advances:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
(Unsecured, Considered Good) DEPOSITS	7,94,900.00	50,000.00
FD FOR BANK GUARANTEE	15,000.00	15,000.00
GST RECEIVABLE	16,200.00	-
PREPAID EXPENSES	-	17,540.00
VAT RECEIVABLE/PAYABLE	20,023.84	-
	<b>8,46,123.84</b>	<b>82,540.00</b>

<b>Note : c.11 - Revenue from Operation:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
DETAILS OF GROSS SALES UNDER BROAD HEADS:		
GOLD ORNAMENTS	19,298.00	1,54,80,687.00
POLISHED DIAMOND	23,54,14,870.00	87,98,52,285.65
POLISHED DIAMOND - INTERSTATE SALES	54,26,936.00	-
POLISHED DIAMOND - POINTED	6,28,957.00	8,32,15,833.80
	<b>24,14,90,061.00</b>	<b>97,85,48,806.45</b>

<b>Note : c.12 – Other Operating Income:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
DISCOUNT RECEIVED	985.39	-
	<b>985.39</b>	<b>-</b>



<b>Note : c.13 - Purchase of Stock - in - Trade:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
DETAILS OF PURCHASE OF STOCK-IN-TRADE UNDER BROAD HEADS:		
GOLD ORNAMENTS	12,256.23	1,74,71,288.00
POLISHED DIAMOND	13,64,10,615.61	91,52,27,119.41
POLISHED DIAMOND - INTERSTATE	6,57,01,521.39	-
POLISHED DIAMOND - POINTED	1,02,04,806.46	9,41,81,483.77
	<b>21,23,29,199.69</b>	<b>1,02,68,79,891.18</b>

<b>Note : c.14 - Changes in Inventories:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
STOCK AT CLOSE:		
STOCK AT CLOSE	<b>70,320,004.64</b>	91,863,979.97
	<b>70,320,004.64</b>	91,863,979.97
STOCK AT COMMENCEMENT:		
STOCK AT COMMENCEMENT	<b>91,863,979.97</b>	34,246,718.44
	<b>91,863,979.97</b>	34,246,718.44
	<b>21,543,975.33</b>	(57,617,261.53)

<b>Note : c.15 - Employee Benefits Expenses:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
SALARY	<b>2,358,495.00</b>	4,788,140.00
	<b>2,358,495.00</b>	4,788,140.00

<b>Note : c.16 - Depreciation and Amortization Expenses:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
DEPRECIATION	<b>183,307.16</b>	148,663.58
	<b>183,307.16</b>	148,663.58



<b>Note : c.17 - Other Expenses:</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
ADVERTISEMENT EXPENSES	12,320.00	-
ANNUAL CUSTODY FEE	37,376.00	-
ASBA COMMISSION	14,747.60	-
AUDIT FEES	86,500.00	201,250.00
BANK CHARGES	3,860.90	11,110.00
CERTIFICATION EXPENSE	-	3,000.00
CHARITY EXPENSE	-	30,000.00
COMMISSION	-	15,000.00
DATABASE EXPENSE	80,458.00	82,593.00
DEMAT CHARGES	4,099.36	-
DEPOSITORY FEES	63,250.00	51,750.00
DESIGN PURCHASE	-	1,050,000.00
DIAMOND CERTIFICATION EXPENSES	120,606.78	10,040.00
DISCOUNT	5,088.65	1,308.77
ELECTRICITY BILL	-	5,360.00
GST LATE FILING FEES	700.00	-
HOTEL EXPENSE	-	5,675.00
INSURANCE PREMIUM	-	1,052.00
INTEREST ON INCOME TAX	26,345.00	-
INTEREST ON PROFESSIONAL TAX	810.00	830.00
INTEREST ON TDS	-	150.00
MAINTENANCE	-	3,000.00
MEMBERSHIP FEE	21,000.00	-
MISC. EXPENSES	6,710.00	11,080.00
POSTAGE AND COURIER	2,070.00	1,340.00
PRINTING AND STATIONERY	161,660.00	9,796.00
PROCESSING FEE FOR INITIAL LISTING ON BSE	-	57,500.00
PROCESSING FEE OF DEPOSITORY	32,450.00	57,500.00
PROFESSIONAL FEES	51,500.00	768,500.00
PROFESSIONAL TAX	2,400.00	3,800.00
REMUNERATION TO DIRECTOR	240,000.00	60,000.00
RENT EXPENSES	47,000.00	38,250.00
REPAIRS	1,050.00	-
ROC FILING FEES	7,300.00	460,800.00
SALES TAX FILING FEE	15,000.00	-
SHARE REGISTRY FEES	32,394.28	-
SITTING FEES OF DIRECTOR	90,000.00	74,000.00
STOCK EXCHANGE FEE	32,315.00	-
TELEPHONE BILL	2,701.00	3,348.00
TRADEMARK FEES	-	10,000.00
TRAINING FOR STAFF	15,300.00	25,000.00
TRAVELLING EXPENSES	14,186.00	-
VAT PENALTY	27,500.00	-
	<b>1,258,698.57</b>	<b>3,053,032.77</b>

<b>Note : c.18 - Extraordinary Items</b>	<b>Figures for the Year ended 31.03.2018</b>	<b>Figures for the Year ended 31.03.2017</b>
BID VERIFICATION CHARGES	19,550.00	-
BO VERIFICATION CHARGES	23,000.00	-
CORPORATE ACTION PROCESSING FEE	27,152.00	-
MARKET MAKER FEE	2,30,000.00	-
NSM COMMISSION	3,738.00	-
SOFTWARE FEES OF BSE	1,15,000.00	-
ADVERTISEMENT EXPENSES FOR IPO	1,78,651.00	-
PROCESSING FEES OF DEPOSITORY FOR IPO	68,857.00	-
PROFESSIONAL FEES FOR IPO	11,05,000.00	-
	<b>17,70,948.00</b>	<b>-</b>



**D. 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:

Name of Related Party with whom Transaction have been made	Description of relation with the Party	Nature of Transaction	2017-18 (Rs.)	Amount outstanding as on 31.03.2018 (Rs.)
Shwet D Koradiya	Managing Director	Remuneration	2,40,000	20,000
Bhavin Chandura	CFO	Salary	28,000	-
Shreykumar Sheth	CFO	Salary	2,60,000	26000
Ankitkumar Tank	Company Secretary	Salary	1,20,465	-

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

	<i>Current Period</i>	<i>Previous Year</i>
Profit after Taxation	12,20,952	8,86,199
Profit attributable to ordinary shareholders	12,20,952	8,86,199
Number of Equity Shares (in nos.) Issued and subscribed	2,16,15,000	1,58,85,000
Number of Potential Equity Shares (under Employees' stock option scheme)	0	0
Total no. of shares including potential equity shares	2,16,15,000	1,58,85,000
Basic earning per Share (Rs.)	0.06	0.06
Diluted earning per Share (Rs.)	0.06	0.06

- (VI) BREAK UP OF AUDITORS REMUNERATION:

Particulars	Current Period	Previous Year
As an Auditor	41,500	1,00,000
Tax Audit Fees	25,000	50,000
For Income Tax Matters	20,000	25,000
Other	-	-
GST / Service Tax	-	26,250
<b>Total</b>	<b>86,500</b>	<b>2,01,250</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,

**FOR KANSARIWALA & CHEVLI**

Chartered Accountants,

**(H. B. Kansariwala)**

Partner

Membership No. 032429

Firm Registration No. 123689W

Peer Review No. PU0102793706

**Place : Surat**

**Date: 14.05.2018**

**FOR PURE GIFTCARAT LIMITED**

**Shwet Koradiya**  
Managing Director  
DIN: 03489858

**Niki Doshi**  
Additional Director  
DIN: 07940941

**Shreykumar Sheth**  
CFO  
PAN: EILPS2829J

**Shyam Kapadia**  
Company Secretary  
ACS – 55158

**Place : Surat**

**Date: 14.05.2018**



**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 7<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Thursday, the 20<sup>th</sup> September, 2018 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: \_\_\_\_\_



---

**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)

---

Dear Shareholder(s),

This is to inform you that the company is in process of updation of records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE listing agreement, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we have to update your PAN No., phone no. and e-mail id in our records. We would also like to update your current signature records in our system.

To achieve this we solicit your co-operation in providing the following details to us :

1. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).
2. If you are holding shares in physical form, you may provide the following :

Folio No. :

Pan No. :

E-mail ID :

Telephone No. :

Name and Signatures : i.  
ii.  
iii.

Thanking you,

For, **PURE GIFTCARAT LIMITED**

Authorized Signatory



**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 7<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 20<sup>th</sup> September, 2018 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. Niki Doshi (DIN: 07940941) as an Independent Director
4	Approval of Related Party Transactions
5	Revision in Remuneration of Mr. Shwet Koradiya, Chairman and Managing Director of the Company
6	Re-appointment of Mr. Shwet Koradiya as a Chairman and Managing Director

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

As witness my / our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

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.**







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)