

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the members of the Company will be held on Thursday the 30<sup>th</sup> day of September 2010 at 10.00 a.m. at the registered office of Precious Trading & Investments Limited to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2010 and Profit & Loss Account for the year ended on that date, together with the Directors' & Auditor's Report thereon;
2. To appoint a Director in place of Mr. Jitendra N. Sheth, who retires by rotation and being eligible, offers himself for re-appointment;
3. To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

"RESOLVED that pursuant to section 224 of the Companies Act, 1956, M/s M. B. Agarwal & Company, Chartered Accountants, Mumbai, the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board."

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. Under the Companies Act, 1956, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. Members /Proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed on September 30, 2010 for the purpose of Annual General Meeting.
4. Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may send their request in the prescribed Form 2B to the Registrar & Transfer Agents of the Company.
5. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General meeting.
6. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.
7. Members are requested to notify changes, if any, in their registered addresses along with the pin code to the Company's Registrar and Share Transfer Agent.
8. Members are requested to bring their copy of Annual Report to the Meeting.

**27<sup>TH</sup> Annual Report-2009-10**  
**PRECIOUS TRADING & INVESTMENTS LIMITED**

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9. All documents referred to in the notice are open for inspection at the registered office of the Company between 10.30 a.m. and 1.00 p.m. on all working days upto the date of the meeting.
10. Member are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, M/s. Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400072.
11. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company.

By the Order of the Board of Directors  
For Precious Trading & Investments Limited



**Ashwin N. Sheth**  
Director

Mumbai, September 9, 2010



Tel.: 4029 8218

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E-Mail : mbaandco@yahoo.co.in

M. B. AGRAWAL F.C.A., F.I.V.

YATIN MEHTA F.C.A.

SANJAY LUNKAD F.C.A., D.I.S.A. (ICA)

PRAFULLACHHAJED F.C.A., LL.B. (G)

HEMANT AGRAWAL F.C.A.

HARSHAL AGRAWAL F.C.A., D.I.S.A. (ICA), C.I.S.A.

SUBODH N. AGRAWAL B.com., A.C.A.

## AUDITORS' REPORT

To,  
The Members  
**M/S PRECIOUS TRADING & INVESTMENTS LIMITED.**  
MUMBAI.

1. We have audited the attached balance sheet of **M/S. PRECIOUS TRADING & INVESTMENTS LIMITED**, as at 31<sup>st</sup> March 2010 and the profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account as required by the Companies Act, 1956 have been kept by the company so far as appears from our examination of the books.
  - iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Account.
  - iv) In our opinion, the Balance Sheet and Profit and Loss Account comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v) On the basis of information and explanation given to us none of the directors is disqualified u/s 274(1) (g) of the Companies Act, 1956 from being appointed as a directors.



- vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
- a) In the case of the Balance Sheet of the state of affairs of the company as at 31<sup>st</sup> March 2010 and
  - b) In the case of the Profit and Loss Account of Loss for the year ended on that date.
  - c) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.
4. As required by the Companies (Auditor's Report) Order,2003 and the Companies (Auditor's Report) (Amendment) Order,2004 issued by the central Government in terms of Section 227(4A) of the Companies Act, 1956,we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

FOR M. B. AGRAWAL & CO.  
CHARTERED ACCOUNTANTS



*A. Harshale*

HARSHAL AGRAWAL  
PARTNER  
M. No.109438  
Firm No.100137W

Place: Mumbai  
Date: September 9th, 2010

Annexure to the Auditor's Report

Referred to in paragraph (4) of our report of even date on the accounts for the year ended 31st March 2010 of M/S PRECIOUS TRADING & INVESTMENTS LIMITED. Clauses (i),(ii),(vi),(viii),(xi),(xii),(xiii),(xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) of CARO 2003 are either nil or not applicable to the company.

- i)
  - (a) The Company has granted the unsecured loan of Rs.569.99 Lakhs (PY Rs.499 Lacs) to a company covered in the register maintained under Section 301 of The Companies Act, 1956.
  - (b) The rate of interest and other terms and conditions of the aforesaid loan are not prima-facie prejudicial to the interest of the company.
  - (c) The receipt of the principal amount is as per the terms of the agreement.
  - (d) There are no overdue amounts of Rupees one Lakh.
  - (e) The company has taken unsecured loan of Rs.411.04 lacs. (PY Rs.338.52 lacs.)from one party covered in the register maintained under Section 301 of The Companies Act,1956.
  - (f) The rate of interest and other terms and conditions of the aforesaid loan are not prima-facie prejudicial to the interest of the company.
  - (g) The repayment of principal amount of loan and interest are in accordance with the terms of contract.
- ii) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures which commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- iii)
  - a) The particulars of contracts and arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
  - b) In our opinion and according to information and explanation given to us, transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- iv) The internal audit system commensurate with the size and nature of the company's business.



- v) a) According to the records of the Company and information and explanation given to us, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.
- b) In our opinion and according to the information and explanation given to us, there are no dues of Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/ Custom Duty/ Excise Duty/ Cess which are not deposited on account of any dispute.
- vi) The Company has no accumulated losses as at the end of the financial year. Company has incurred a cash loss of Rs.1,20,383 for current financial year and in the immediately preceding financial year Rs1,05,277/-
- vii) To the best our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year.

For M. B. Agrawal & Co.  
Chartered Accountants



*As Harshal*

HARSHAL AGRAWAL  
PARTNER  
M. No.109438  
Firm No.100137W

Place: Mumbai  
Date: September 9th, 2010

## **DIRECTORS' REPORT**

Dear Members,

Your directors are pleased to present their 27<sup>th</sup> Annual Report, to the members, on the business and operations of Precious Trading & Investments Limited together with the Audited Accounts for the financial year ended 31st March 2010.

### **Financial Highlights:**

(Amount in Rupees)

Particulars	31 <sup>st</sup> March 2010	31 <sup>st</sup> March 2009
Sales & other operational income	Nil	Nil
Less: Operational expenses	1,20,383	10,52,77
Profit/(Loss) before Taxation	(1,20,383)	(1,05,277)
Less: Provision for Taxation		
Current	Nil	Nil
Deferred (Asset)	Nil	Nil
Income Tax Adjustment – Previous year	74000	
Profit/(Loss) for the year	(1,94,383)	(105,277)
Earning per share Basic	(0.81)	(0.44)

### **Dividend:**

In view of loss suffered by your Company during the year, the Directors express their inability to declare dividend for the year 2009-2010.

### **Deposits:**

During the year under review, Company has not invited or accepted nor renewed any deposits from public under the Companies (Acceptance of Deposits) Rules, 1975 and that as on 31st March 2010 the Company did not have any outstanding / unclaimed/ overdue deposits.

### **Director:**

Mr. Jitendra N. Sheth, Director, will retire by rotation. Mr. Jitendra N. Sheth, being eligible offers himself for reappointment. Accordingly, the board recommends his re-appointment.

### **Auditors:**

M/s. M. B. Agrawal & Company, Chartered Accountants, the auditors of the Company, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment and if re-appointed, their appointment will be in accordance with the applicable provisions, if any, of the Companies Act, 1956.



**Auditor's Report:**

The Auditor's Report to the Shareholders on the Accounts of the Company as on 31st March 2010 does not contain any qualification.

**Share Registrar & Transfer Agent**

The Company's share registry function is being looked after by Bigshare Services Private Limited which is a SEBI-registered Registrar & Transfer Agent. The contact details of Bigshare Services Private Limited are mentioned in the Company Information section of Annual Report. Investors are requested to address their queries, if any, in this regard, to Bigshare Services Private Limited; however, in case of difficulties, they are welcome to contact the Corporate Office of the Company.

**Listing Fees:**

The Company declares that its Securities are listed on the Bombay Stock Exchange, and the Company confirms that it has paid Annual Listing Fees due to the Stock Exchange for the year 2009-2010.

**Compliance Certificate:**

As required by the provisions of the Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, a Certificate from the Secretary in Whole-time Practice is appended herewith certifying that the Company has complied with all the applicable provisions of the Companies Act, 1956 has been furnished with this report.

**Directors' Responsibility Statement:**

In terms of and as required by the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- a. in the preparation of annual accounts for the year ended on 31st March 2010 the applicable accounting standards have been followed
- b. In case of any material departures from the applicable accounting standards, proper explanations have been provided.
- c. appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2010 and that of Profit & Loss for the year ended on 31<sup>st</sup> March 2010;
- d. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- e. the annual accounts have been prepared on a going concern basis.



**Cash Flow Statement & Consolidated Financial Accounts:**

The Cash Flow Statement & Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with Bombay Stock Exchange, prepared in accordance with the applicable Accounting Standards, as prescribed by the Institute of Chartered Accountants of India, is attached as enclosures to the Company's Financial Statements.

**Subsidiary Company:**

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Balance Sheet, Profit & Loss Account along with the report of the Auditors and Directors thereon and Statement of the holding Company's interest in the subsidiary.

Accordingly, audited annual accounts of wholly owned subsidiary of the Company, viz. M/s Sheth Developers & Realtors (India) Limited for the year ended March 31, 2010 along with the report of the auditors and directors thereon is annexed and form part of this report. A statement of the Holding Company's interest in the Subsidiary pursuant to Section 212 of the Companies Act, 1956, to the extent applicable has been furnished with this report.

**The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as regards to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgoes:**

a. **Energy Conservation & Technology Absorption:** The particulars as regards conservation of energy and technology absorption are not applicable to the Company since its establishment is not covered by the Rules made under this Section.

b. **Foreign Exchange Earnings & Outgoes:** During the period under review, the Company had not earned any foreign exchange nor incurred any outflows in Foreign Exchange.

**Particulars of Employees:**

No employee of the Company is covered by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

**Acknowledgement:**

The Directors place on record their appreciation for support and co-operation received from all the stakeholders

**By the Order of the Board of Directors**

**For Precious Trading & Investments Limited**



Ashwin N. Sheth  
Director



Jitendra N. Sheth  
Director

Mumbai; September 9, 2010

**PRECIOUS TRADING & INVESTMENTS LIMITED**  
BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULES	As At 31.03.2010 (Rupees)	As At 31.03.2009 (Rupees)
<b>SOURCES OF FUNDS</b>			
Shareholders Funds			
Share Capital	A	2,400,000	2,400,000
Reserves & Surplus	B	109,233,181	109,427,564
Loans Funds			
Unsecured Loans	C	41,104,435	33,852,300
		<b>152,737,616</b>	<b>145,679,864</b>
<b>APPLICATION OF FUNDS</b>			
Investments	D	95,368,349	95,368,349
Current Assets, Loans & Advances			
Cash & Bank Balance	E	42,244	14,241
Loans & Advances	F	56,999,000	52,178,000
		<hr/>	<hr/>
		57,041,244	52,192,241
Less :-			
Current Liabilities & Provisions			
Sundry Creditors	G	53,758	58,507
Provision	H	-	2,204,000
		<hr/>	<hr/>
		53,758	2,262,507
Net Current Assets		56,987,486	49,929,734
Deferred Tax Asset	J	381,781	381,781
		<b>152,737,616</b>	<b>145,679,864</b>

Significant accounting policies & Notes to Accounts

As per our attached report of even date  
For M. B. Agrawal & Co.

Chartered Accountants

*As Harshal*  
Harshal Agrawal  
(Partner)

Member No : 109438



Mumbai, September 9, 2010

For and on behalf of the Board

*ASHWIN N. SHETH*  
ASHWIN N. SHETH  
(Director)

*JITENDRA N. SHETH*  
JITENDRA N. SHETH  
(Director)

**PRECIOUS TRADING & INVESTMENTS LIMITED**  
Profit and Loss Account for the year Ended 31st March,2010

SCHEDULES	For the Year Ended 31.03.2010 (Rupees)	For the Year Ended 31.03.2009 (Rupees)
<b>INCOME</b>		
Other Income	-	-
	-	-
<b>EXPENSES</b>		
Other Expenses	1 120,383	105,277
	<b>120,383</b>	<b>105,277</b>
Profit / (Loss) for the Year	(120,383)	(105,277)
Less : Provision for Tax		
- Current	-	-
- Deferred	-	-
- Income Tax Adjustment-Previous Year	74,000	-
Profit After Tax	(194,383)	(105,277)
Basic & Diluted Earnings per Equity Share	(0.81)	(0.44)

Significant accounting policies & Notes to Accounts 3

As per our attached report of even date  
For M. B. Agrawal & Co.

Chartered Accountants

*A. N. Nandole*  
Harshad Agrawal  
(Partner)  
Member No : 109438



Mumbai, September 9,2010

For and on behalf of the Board

*Ashwin N. Sheth*  
ASHWIN N. SHETH  
(Director)

*Jitendra N. Sheth*  
JITENDRA N. SHETH  
(Director)

PRECIOUS TRADING & INVESTMENTS LIMITED  
Schedules annexed to and forming part of Balance Sheet as at 31st March, 2010

	<b>As At</b> <b>31.03.2010</b> <small>(Rupees)</small>	<b>As At</b> <b>31.03.2009</b> <small>(Rupees)</small>
<b>A) SHARE CAPITAL</b>		
Authorised Share Capital 2,50,000 Equity Share of Rs.10 each	2,500,000	2,500,000
Issued ,Subscribed & Paid up Capital 2,40,000 Equity Share of Rs.10 each	2,400,000	2,400,000
	<b>2,400,000</b>	<b>2,400,000</b>
<b>B) RESERVES AND SURPLUS</b>		
General Reserve		
Surplus In Profit & Loss Account		
Per Last Year	11,162,046	11,267,323
Add : Addition During The Year		
Surplus / (Deficit) For the year	(194,383)	(105,277)
	10,967,663	11,162,046
Capital Reserve		
Per Last Year	98,265,518	98,265,518
	<b>109,233,181</b>	<b>109,427,564</b>
<b>C) UNSECURED LOAN</b>		
From Others	41,104,435	33,852,300
	<b>41,104,435</b>	<b>33,852,300</b>
<b>D) INVESTMENTS</b>		
<small>(Unquoted, Fully paid Up- Valued at Cost)</small>		
In Subsidiaries - Long Term		
1,37,70,000 Fully paid up Equity Shares of Rs. 10/- each of Sheth Developers & Realtors(I)Ltd.	7,688,249	7,688,249
In others		
1 Equity share of Rs.100 each of Sheth Shelters Private Limited.	100	100
4,38,400 6% Redeemable Non-Cumulative Non-Participating Preference Shares of Rs.10/- each of Sheth Shelters Private Limited	87,680,000	87,680,000
<small>(Face value of Rs.10/- and Premium of Rs.190/- per Preference Share)</small>		
	<b>95,368,349</b>	<b>95,368,349</b>



**PRECIOUS TRADING & INVESTMENTS LIMITED**  
Schedules annexed to and forming part of Balance Sheet as on 31st March, 2010

	<b>As At</b> <b>31.03.2010</b> <small>(Rupees)</small>	<b>As At</b> <b>31.03.2009</b> <small>(Rupees)</small>
<b>E) CASH &amp; BANK BALANCE</b>		
Cash on hand	3,293	6,213
Balance at Bank		
In Current Account		
With Scheduled Bank	38,951	8,028
	<b>42,244</b>	<b>14,241</b>
<b>F) LOANS &amp; ADVANCES</b>		
<small>(Unsecured - Considered Good)</small>		
Loans	56,999,000	49,900,000
Advance Income Tax	-	2,278,000
	<b>56,999,000</b>	<b>52,178,000</b>
<b>G) SUNDRY CREDITORS</b>		
For Expenses & Others	53,758	58,507
	<b>53,758</b>	<b>58,507</b>
<b>H) PROVISIONS</b>		
Income Tax	-	2,204,000.00
	-	<b>2,204,000</b>
<b>I) DEFERRED TAX</b>		
Per Last year	381,781	381,781
Add : Addition/(Deduction) during the year	-	-
	<b>381,781</b>	<b>381,781</b>



**PRECIOUS TRADING & INVESTMENTS LIMITED**  
Schedules annexed to and forming part of Profit & Loss for the year ended 31st March,2010

	<b>For the Year Ended 31.03.2010</b> <small>(Rupees)</small>	<b>For the Year Ended 31.03.2009</b> <small>(Rupees)</small>
<b>OTHER INCOME</b>		
Miscellaneous Income	-	-
	-	-
	-	-
<b>1) OTHER EXPENSES</b>		
Printing and Stationery	-	-
Advertisement Expenses	61,460	55,969
Travelling & Conveyance Expenses	-	-
Legal & Professional Fees	20,410	5,615
Directors' Meeting Fees	3,000	3,000
Stock Exchange Listing Fees	11,130	11,184
SEBI Fees	-	-
Other Fees and Stamps	6,624	13,747
Auditors Remuneration :		
Audit Fees	11,030	11,030
R O C Filing Fees	2,800	2,000
Income Tax Expenses	-	-
Sundry Expenses	3,624	2,587
Bank Charges	305	145
	<b>120,383</b>	<b>105,277</b>



**SCHEDULE 'I':**

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010**

**A. Significant Accounting Policy:**

**1. GENERAL :**

a) The Financial Statements have been prepared under the Historical Cost Convention in accordance with the generally accepted Accounting principles, the Accounting Standards issued by the Institute of Chartered Accountants of India and as referred to in Section 211 (3C) and other Provisions of the Companies Act,1956.

B] The company follows the mercantile system of accounting and recognizes Income & Expenditure on accrual basis.

**2. INVESTMENTS:**

Long Term Unquoted investments are stated At Cost. Cost Includes the Purchase Cost and the incidental expenses to Acquisition.

**3. OTHER ACCOUNTING POLICIES:**

These are consistent with generally accepted accounting policies

**4. CLAIMS, DEMANDS AND CONTINGENCIES:**

Disputed and/or contingent liabilities are either provided for or disclosed depending on management's judgment of potential outcome.

**5. PROVISION FOR DEFERRED TAXATION:**

Income tax on Income are provided for after considering the tax effect of timing difference, which arise during the Year and reversed in subsequent period, Deferred Tax has been calculated at the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date and is recognized on Timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized.





**PRECIOUS TRADING & INVESTMENTS LIMITED**

Schedules annexed to and forming part of Accounts for year Ended 31st March, 2010

**B. NOTES TO THE ACCOUNTS**

1. In the opinion of the Directors the Current Assets and creditors have the value at which they are stated in the balance sheet, if realized in the ordinary course of business. The provision for all known Liabilities is adequate and not in excess of the Amount reasonably necessary.
2. Since the Company does not carry on any manufacturing activity, the particulars in respect of quantitative details as required by Para 4 (c) and 4 (d) of Part II to Schedule VI of the Companies Act, 1956 are not applicable.

**3. AUDITOR'S REMUNERATION:**

Particulars	2009-10	2008-09
Audit Fees (Including service Tax)	11,030	11,030
Taxation Matters (Including service Tax)	Nil	Nil
Certification fees	Nil	2,809
Total	<b>11,030</b>	<b>13,839</b>

**4. DIRECTORS' REMUNERATION:**

Particulars		
Salary	NIL	NIL
Meeting Fees	3,000	3,000
Total	<b>3,000</b>	<b>3,000</b>

**5. REVENUE RECOGNITION :**

Income & expenses considered receivable and payable are accounted for on accrual basis when no significant uncertainties as to its realization or determination exist.

6. Expenditure in Foreign Currency during the year Rs. Nil (Previous Year - Rs. NIL)
7. As per the guidelines provided under AS-13 on 'Accounting for Investments' all the long term unquoted investments and are stated At Cost. Cost Includes Purchase Cost and the cost of Acquisition.



**PRECIOUS TRADING & INVESTMENTS LIMITED**

Schedules annexed to and forming part of Accounts for year Ended 31st March, 2010

8. The Liability for Retirement benefits as per Accounting Standard -15 in view of absence of employees. Provision during the year is Rs NIL. (Previous Year Rs. NIL)
9. Amount of Borrowing Cost capitalized as per Accounting Standard 16 during the year is Rs. NIL (Previous Year Rs NIL).
10. Since the Company is operating its Investment Activity only in one Segment no Segment wise Reporting per accounting Standard AS-17 is provided.

**11. Related party Disclosures:**

As per Accounting Standard 18, issued by The Institute of Chartered Accountants of India, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

- (i) List of related parties where control exists and related parties with whom transactions have not taken place and relationships:

Sr No.	Name of the Related Party	Relationship
1.	Sheth Realcon Ventures Pvt. Ltd.	Associate Concerns
2.	Sheth Estate (International) Ltd.	
3.	Middle East Exports Pvt. Ltd.	
4.	Sheth Building Materials Pvt. Ltd.	
5.	Lohitka Properties Pvt. Ltd.	
6.	Atlaz Digi-Tel Pvt. Ltd.	
7.	Sheth Infrastructure Pvt Ltd	
8.	Laxmiprabha Impex & Investments Pvt. Ltd.	
9.	Sheth Shelters Pvt. Ltd.	
10.	Sheth Developers and Realtors (I) Limited	Subsidiary Company
11.	Sheth Developers Pvt Ltd.	Holding Company
12.	Ashwin N. Sheth	Directors / Key Management Personnel
13.	Jitendra N. Sheth	
14.	Vallabh N. Sheth	
15.	Sheth Vasantben Natwarlal Charitable Trust	Enterprises over which key managerial personnel are able to exercise significant influence.

- (ii) Transaction carried out with Related parties in the ordinary course of business:

Sr No.	Particulars	Associate Concerns	Directors
1	Meeting Fees	Nil	3,000
2	Sheth Shelters Private Limited (Loan given O/s)	5,69,99,000	
3	Sheth Developers Private Limited (Loan taken O/s)	4,11,04,435	



**PRECIOUS TRADING & INVESTMENTS LIMITED**

Schedules annexed to and forming part of Accounts for year Ended 31st March, 2010

12. As required by Accounting Standard - 20 the basic and Diluted (EPS) during the year is Rs. (0.81) [ Previous Year Rs. 0.44 ] arrived at by dividing net profit/ (loss) for the year after tax (NPAT) by the total number of Equity Shares issued and subscribed as at the end of the year.
13. The Disclosure of Financial Information about the subsidiary has been made as per the requirements of Accounting Standard 21 - 'Consolidated Financial Statements'.

**14. DEFERRED TAXATION :**

The break up of Net Deferred Tax Asset as at March 31, 2010, comprising of temporary differences between the profit as per financial statements and profit as per Income tax as recognized in the profit & loss account is as under:

Deferred tax assets subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Therefore the DTA recognized in the earlier years has been reversed during the year.

Particulars	March 31, 2010	March 31, 2009
Deferred Tax Asset on account of: C/f Unabsorbed Business Losses	3,81,781	3,81,781
<b>Net Deferred Tax Asset/(Liability)</b>	<b>3,81,781</b>	<b>3,81,781</b>

15. The Disclosure of Investments made in Associate concern other than those in subsidiary concern has been made as per the requirements of Accounting



**PRECIOUS TRADING & INVESTMENTS LIMITED**

Schedules annexed to and forming part of Accounts for year Ended 31st March, 2010

Standard 23 - 'Accounting for Investments in Associates in Consolidated Financial Statements'.

16. There is no joint venture arrangement or control over operations requiring disclosure of per Requirements of AS -27 'Financial Reporting of Interest in Joint ventures' .

17. PRIOR PERIOD COMPARITIVES:

Prior period figures have been regrouped/ reclassified wherever necessary for comparative purpose.

**For M. B. AGRAWAL & CO.**

Chartered Accountants



Harshal Agrawal  
(Partner)

Member No : 109438



**FOR AND ON BEHALF OF THE BOARD**



**ASHWIN N.SHETH**

(Director)



**JITENDRA N.SHETH**

(Director)

Mumbai, 9<sup>th</sup> September, 2010

**PRECIOUS TRADING & INVESTMENTS LIMITED**  
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedules	As At	As At
		31.03.2010 (Rupees)	31.03.2009 (Rupees)
<b>SOURCES OF FUNDS</b>			
Shareholders Funds			
Share Capital	A	2,400,000	2,400,000
Reserves & Surplus	B	149,166,697	142,172,729
Loans Funds			
Secured Loans	C	1,799,281,451	-
Unsecured Loans	D	671,182,956	1,073,846,335
Minority Interest	E	45,754,245	38,847,790
		<b>2,667,785,348</b>	<b>1,257,266,854</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets			
Gross Block	F	724,930	716,155
Less: Depreciation		559,802	542,531
Net Block		165,128	173,624
Investments	G	87,690,100	87,690,100
Current Assets, Loans & Advances			
Inventories	H	3,188,021	-
Project Under Construction	I	1,820,952,894	1,115,023,791
Sundry Debtors	J	10,204	10,204
Cash & Bank Balance	K	12,872,279	6,093,742
Loans & Advances	L	855,916,572	135,484,949
		<b>2,692,939,971</b>	<b>1,256,612,686</b>
Less :-			
Current Liabilities & Provisions			
Liabilities	M	144,539,039	124,960,135
Provision	N	59,000	2,263,000
		<b>144,598,039</b>	<b>127,223,135</b>
Net Current Assets		<b>2,548,341,931</b>	<b>1,129,389,551</b>
Deferred Tax Asset	O	31,588,189	40,613,579
		<b>2,667,785,348</b>	<b>1,257,266,854</b>
Significant accounting policies & Notes to Accounts	P		

As per our attached report of even date  
For M. B. Agrawal & Co.

Chartered Accountants

*A. J. Hantak*  
Harshal Agrawal  
(Partner)

Member No : 109438

Mumbai, September 09, 2010



FOR AND ON BEHALF OF BOARD

*ASHWIN N. SHETH*

ASHWIN N. SHETH  
(Director)

*JYOTSNA N. SHETH*  
JYOTSNA N. SHETH  
(Director)

**PRECIOUS TRADING & INVESTMENTS LIMITED**  
Consolidated Profit and Loss Account for the year Ended 31st March,2010

	SCHEDULES	For Year Ended 31.03.2010 (Rupees)	For Year Ended 31.03.2009 (Rupees)
<b>INCOME</b>			
Sales & Services	1	-	-
Other Income	2	23,444,728	14,903
		<b>23,444,728</b>	<b>14,903</b>
<b>EXPENSES</b>			
Staff Cost	3	-	-
Construction & Other Cost	4	-	-
Technical Service Expenses		-	-
Operating & Administration Expenses	5	1,027,645	564,368
Finance Cost	6	-	-
Depreciation		17,271	10,673
		<b>1,044,916</b>	<b>575,041</b>
<b>Profit / (Loss) for the Year</b>		<b>22,399,812</b>	<b>(560,138)</b>
Less : Provision for Tax			
- Current		-	-
- Deferred		8,425,390	(91,124)
- Fringe Benefit Tax		-	59,000
- Prior Period		74,000	-
Profit After Tax		13,900,422	(528,014)
Basic & Diluted Earnings per Equity Share		57.9184	(2.2001)

Significant accounting policies & Notes to Accounts

P

As per our attached report of even date  
For M. B. Agrawal & Co.

Chartered Accountants

*M. B. Agrawal*  
Marshal Agrawal  
(Partner)  
Member No : 109438



Mumbai, September 09,2010

FOR AND ON BEHALF OF BOARD

*Ashwin N. Sheth*

ASHWIN N. SHETH  
(Director)

*Jyoti N. Sheth*  
JYOTI N. SHETH  
(Director)

**PRECIOUS TRADING & INVESTMENTS LIMITED**  
Schedules annexed to and forming part of Balance Sheet as on 31st March,2010

	As At 31.03.2010 (Rupees)	As At 31.03.2009 (Rupees)
<b>A) SHARE CAPITAL</b>		
Authorised Share Capital 2,50,000 Equity Share of Rs.10 each	2,500,000	2,500,000
Issued ,Subscribed & Paid up Capital 2,40,000 Equity Share of Rs.10 each Share Application Money	2,400,000	2,400,000
	<b>2,400,000</b>	<b>2,400,000</b>
<b>B) RESERVES AND SURPLUS</b>		
General Reserve		
Surplus In Profit & Loss Account		
Per Last Year	11,162,046	11,267,323
Add : Addition During The Year		
Surplus / (Deficit) For the year	(194,383)	(105,277)
	10,967,663	11,162,046
Add: Profit & Loss A/c Henkel Switchgear (51%)	24,963,817	17,775,466
	35,931,480	28,937,512
Capital Reserve		
Per Last Year	98,265,518	98,265,518
Capital Reserve on Consolidation		
Share Capital	137,700,000	137,700,000
Share of Pre Profits	(115,042,052)	(115,042,052)
	22,657,948	22,657,948
Less: Cost of Investment	7,688,249	7,688,249
Capital Reserve on Consolidation	14,969,699	14,969,699
	<b>149,166,697</b>	<b>142,172,729</b>
<b>C) SECURED LOAN</b>		
From Banks	1,799,281,451	-
	<b>1,799,281,451</b>	-
<b>D) UNSECURED LOAN</b>		
From Others	671,182,956	1,073,846,335
	<b>671,182,956</b>	<b>1,073,846,335</b>
<b>E) Minority Interest</b>		
Minority Interest in Share Capital (49%)	132,300,000	132,300,000
Minority Interest in Profits / (Loss)	(86,545,755)	(93,452,210)
	<b>45,754,245</b>	<b>38,847,790</b>





**PRECIOUS TRADING & INVESTMENTS LIMITED**  
Schedules annexed to and forming part of Balance Sheet as on 31st March,2010

	As At 31.03.2010 (Rupees)	As At 31.03.2009 (Rupees)
<b>G) INVESTMENTS</b>		
(Unquoted, Fully paid Up- Valued at Cost)		
In others		
1 Equity share of Rs.100 each of Sheth Shelters Private Limited.	100	100
4,38,400 6% Redeemable Non-Cumulative Non-Participating Preference Shares of Rs.10/- each of Sheth Shelters Private Limited (Face value of Rs.10/- and Premium of Rs.190/- per Preference Share)	87,680,000	87,680,000
1000 Fully paid equity shares of Rs. 10/- each in the Saraswat Co-operative Bank Ltd.	10,000	10,000
Project Under Construction	-	-
	<b>87,690,100</b>	<b>87,690,100</b>
<b>H) INVENTORY</b>		
Construction Materials	3,188,021	-
	<b>3,188,021</b>	-
<b>I) PROJECT UNDER CONSTRUCTION</b>		
Land Cost	372,757,365	372,757,365
Infrastructure Cost	110,960,804	88,845,267
Construction Cost	940,981,916	429,057,741
Other Construction Cost	81,415,192	58,956,201
Professional & Designing Fees	155,662,435	129,345,957
Sales & Adm.Expenses	7,344,297	4,399,833
Interest On Bank Loan	118,085,449	8,750,754
Misc. Other Cost	33,745,436	22,910,673
	<b>1,820,952,894</b>	<b>1,115,023,791</b>
<b>J) SUNDRY DEBTORS</b>		
(Unsecured Considered Good)		
Debts outstanding for a period exceeding six months.	10,204	10,204
	<b>10,204</b>	<b>10,204</b>
<b>K) CASH &amp; BANK BALANCE</b>		
Cash on hand	62,647	38,050
Balance at Bank		
In Current Account		
With Scheduled Bank	12,284,677	6,055,692
In Fixed Deposits	524,955	-
	<b>12,872,279</b>	<b>6,093,742</b>



PRECIOUS TRADING & INVESTMENTS LIMITED  
Schedules annexed to and forming part of Balance Sheet as on 31st March, 2010

	As At 31.03.2010 (Rupees)	As At 31.03.2009 (Rupees)
<b>L) LOANS &amp; ADVANCES</b>		
(Unsecured - Considered Good)		
Loans	56,999,000	49,900,000
Advances recoverable in cash or in kind or for value to be received	790,759,211	75,230,414
Deposits with customers / Others	7,870,882	7,870,882
Advance Income Tax	287,479	2,483,653
	<b>855,916,572</b>	<b>135,484,949</b>
<b>M) CURRENT LIABILITIES</b>		
Acceptance	229,742	229,742
Sundry Creditors	117,764,839	102,212,914
Other liabilities	26,544,459	22,517,479
	<b>144,539,039</b>	<b>124,960,135</b>
<b>N) PROVISIONS</b>		
Income Tax	59,000	2,263,000
	<b>59,000</b>	<b>2,263,000</b>
<b>O) DEFERRED TAX ASSETS</b>		
Per Last year	40,013,579	39,922,455
Add : Addition/(Deduction) during the year	(8,425,390)	91,124
	<b>31,588,189</b>	<b>40,013,579</b>



**PRECIOUS TRADING & INVESTMENTS LIMITED**  
Schedules annexed to and forming part of Profit & Loss for the year ended 31st March,2010

	For Year Ended 31.03.2010 (Rupees)	For Year Ended 31.03.2009 (Rupees)
<b>1) SALES AND SERVICE</b>		
Sales Service	-	-
<b>2) OTHER INCOME</b>		
Dividend Income	2,000	-
Interest from Banks	27,728	-
Miscellaneous Income	23,415,000	9,303
Sundry Balance written back	-	5,600
	<b>23,444,728</b>	<b>14,903</b>
<b>3) STAFF COST</b>		
Salaries, Wages & Bonus etc.	-	-
<b>4) CONSTRUCTION &amp; OTHER COST</b>		
Work In Progress B/f.	1,115,023,791	553,320,849
Addition During The Year		
Land Cost	-	-
Material Cost		
Opening Stock	-	-
Add : Purchases	9,958,601	48,234,579
	<u>9,958,601</u>	<u>48,234,579</u>
Less : Closing Stock	3,188,021	-
	<u>6,770,580</u>	<u>48,234,579</u>
Labour Cost	527,269,132	431,692,534
Other Cost	171,889,391	81,775,829
	<u>1,820,952,894</u>	<u>1,115,023,791</u>
Less : Transferred To Investments-(Project Under Construction)	1,820,952,894	1,115,023,791
	<u>-</u>	<u>-</u>
<b>5) OTHER EXPENSES</b>		
Advertisement Expenses	61,460	55,969
Legal & Professional Fees	20,410	5,615
Directors' Meeting Fees	3,000	3,000
Stock Exchange Listing Fees	11,130	11,184
Other Fees and Stamps	6,624	13,747
Travelling & Conveyance Expenses	9,001	15,399
Stationery, Postage, Telex and Telephone	204,855	7,535
Auditors Remuneration :		
Audit Fees	30,663	30,663
R O C Filing Fees	2,800	2,000
Service Tax	-	-
Sundry Expenses	657,091	388,141
Bank Charges	20,611	31,115
	<b>1,027,645</b>	<b>564,368</b>
<b>6) FINANCE COST</b>		
Interest paid	-	-
	<u>-</u>	<u>-</u>



**PRECIOUS TRADING & INVESTMENTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010**

PARTICULARS	31.03.2010	31.03.2009
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before tax & extra-ordinary items	(120,383)	(105,277)
Adjustments for:		
Profit on Sale of Investment	-	-
Income Tax Payment (net of T.D.S./Advance/Self Assessment Tax Paid)	(2,278,000)	-
Operating Profit / (Loss) before Working Capital Changes	<b>(2,398,383)</b>	(105,277)
Adjustments for:		
Increase / (Decrease) in Current Liabilities & Provisions	(4,749)	11,688
(Increase) / Decrease in Loans	(4,821,000)	1,600,000
Cash generated from Operations before Extra-Ordinary Items	<b>(7,224,132)</b>	1,506,411
Less: Income Tax paid	-	-
Net Cash From Operating Activities (A)	<b>(7,224,132)</b>	1,506,411
<b>B. Cash Flow from Investment Activities</b>		
Sale of Investment	-	-
Net Cash From Investing Activities (B)	-	-
<b>C. Cash Flow from Finance Activities</b>		
Unsecured loan received	7,252,135	(1,505,000)
Net Cash from Finance Activities (C)	7,252,135	(1,505,000)
Net Increase / (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]	28,003	1,411
Cash & Cash Equivalents as on 01/04/2009 & 01/04/2008	<b>14,241</b>	12,830
<b>Cash &amp; Cash Equivalents as on 31/03/2010 &amp; 31/03/2009</b>	<b>42,244</b>	<b>14,241</b>

42,244                      0.00  
(0.00)

**In terms of our report of even date**

For M. B. Agarwal & Co,  
Chartered Accountants

*Harshal Agarwal*

**Harshal Agarwal**  
(Partner)

Member No : 109438

Mumbai; September 09, 2010



**FOR AND ON BEHALF OF THE BOARD**

*Ashwin N. Sheth*

**Ashwin N. Sheth**  
Director

## PRECIOUS TRADING &amp; INVESTMENTS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010

PARTICULARS	31.03.2010	31.03.2009
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before tax & extra-ordinary items	22,399,812	(560,138)
Adjustments for:		
Profit on Sale of Investment	-	-
Income Tax Payment (net of T.D.S./Advance/Self Assessment Tax Paid)	(2,278,000)	-
Dividend on Shares	2,000	5,600
Reversal on Loss of Sale of Assets	-	-
Loss on Sale of Fixed Assets	-	-
Depreciation	17,271	10,673
Increase / (Decrease) in Inventory	(3,188,021)	-
Operating Profit / (Loss) before Working Capital Changes	16,953,062	(543,865)
Adjustments for:		
Increase / (Decrease) in Current Liabilities	19,578,904	68,719,572
(Increase) / Decrease in Sundry Debtors	-	-
(Increase) / Decrease in Loans & Advances	(720,431,623)	(24,589,189)
Deferred Tax Assets	8,425,390	(91,124)
Cash generated from operations	(675,474,267)	43,495,395
Less: Taxes Paid	8,425,390	(91,124)
Net Cash From Operating Activities (A)	(683,899,657)	43,586,519
<b>B. Cash Flow from Investment Activities</b>		
(Purchase)/Sale of fixed Assets(Net)	(8,775)	(155,221)
Project Investment	(705,929,103)	(561,702,942)
Sale of Investment	-	-
Sale of Fixed Assets	-	-
Dividend on Shares	(2,000)	(5,600)
Net Cash From Investing Activities (B)	(705,939,878)	(561,863,763)
<b>C. Cash Flow from Finance Activities</b>		
Share Application Money Received	-	(516,120,000)
Secured loan received	1,799,281,451	-
Unsecured loan received	(402,663,379)	1,038,489,035
Net Cash From Finance Activities (C)	1,396,618,072	522,369,035
Net Increase or Decrease in Cash & Cash Equivalents [(A)+(B)+(C)]	6,778,537	4,091,790
Cash & Cash Equivalents as on 01/04/2009 & 01/04/2008	6,093,742	2,001,952
<b>Cash &amp; Cash Equivalents as on 31/03/2010 &amp; 31/03/2009</b>	<b>12,872,279</b>	<b>6,093,742</b>



**Notes:**

1. Cash Flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS)-3: 'Cash Flow Statements' issued by the Institute of Chartered Accountants of India.
2. Previous year's figures have been re-grouped/re-classified/re-arranged wherever required.

**In terms of our report of even date**

**FOR AND ON BEHALF OF THE BOARD**

For M. B. Agarwal & Co.

Chartered Accountants

*Azhaubade*

Harshal Agarwal

(Partner)

Member No : 109438

Mumbai; September 09,2010



*ASHWIN N. SHETH*

ASHWIN N. SHETH

Director