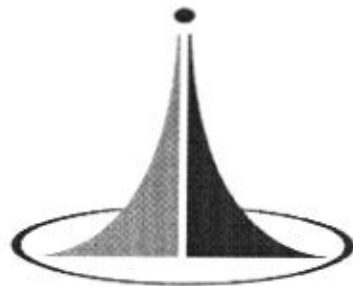


**28th ANNUAL REPORT
2010-2011**



SHETH
A Bond Of Trust

***PRECIOUS TRADING & INVESTMENTS
LIMITED***

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Ashwin N. Sheth

Mr. Jitendra N. Sheth

Mr. Vallabh N. Sheth

REGISTERED OFFICE

"Sheth House",
Next to Dindoshi Fire Station,
Gen A. K. Vaidya Marg,
Off. W. E. Highway,
Malad (East),
Mumbai - 400 097

Email ID for Investor Grievance: cs@shethdevelopers.com

STATUTORY AUDITORS

M/s M.B. Agrawal & Co.
Chartered Accountants, Mumbai

REGISTRARS & SHARE TRANSFER AGENTS

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai- 400072
Tel: 022-28470652, Fax: 022-28475207, Email: info@bigshareonline.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of the members of the Company will be held on Friday the 30th day of September 2011 at 10.00 a.m. at the registered office of Precious Trading and Investments Limited at to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2011 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. Ashwin N. Sheth, who retires by rotation and being eligible, offers himself for re-appointment;
3. To re-appoint the Auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

"RESOLVED THAT M/s. M. B. Agrawal & Company, Chartered Accountants, having firm registration number 100137W, being retiring Auditor of the Company, be and are hereby re-appointed as Auditor of the Company to hold the office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as may be decided by the Board of Directors of the Company in addition to reimbursement of all out of-pocket expenses in connection with audit of the accounts of the company."

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, 2011** 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 28 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.



28TH Annual Report-2010-2011
PRECIOUS TRADING AND INVESTMENTS LIMITED

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.
9. All documents referred to in the notice are open for inspection at the registered office of the Company between 10.00 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 and Investments Limited



Ashwin N. Sheth
Director

Mumbai, September 8, 2011

DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present their 28th 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 2011.

Financial Highlights:

Particulars	(Amount in Rupees)	
	31 st March 2011	31 st March 2010
Sales & other operational income	-	-
Less: Operational expenses	114,742.80	120,382.90
Profit/(Loss) before Taxation	(114,742.80)	(120,382.90)
Less: Provision for Taxation		
Current	-	-
Deferred (Asset)/Liability	381,781.00	-
Income Tax Adjustment-Previous Year	-	74,000.00
Profit/(Loss) for the year	(496,523.80)	(194,382.90)
Earning per share Basic	(2.07)	(0.81)

Dividend:

In view of loss suffered by your Company during the year, the Directors express their inability to declare dividend for the year 2010-2011.

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 2011, the Company did not have any outstanding / unclaimed/ overdue deposits.

Director:

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

Auditors:

M/s. M. B. Agrawal & Company, Chartered Accountants, having firm registration number 100137W, 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 2011 does not contain any qualification.

Change in Registered Office:

The registered office of the Company was changed to
" Sheth House",
Next to Dindoshi Fire Station,
Gen. A. K. Vaidya Marg,
Off. W. E. Highway,
Malad (East),
Mumbai - 400097

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 2010-11.

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 2011 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 31st March 2011 and that of Profit & Loss for the year ended on 31st March 2011;

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 subsidiary of the Company, viz. M/s. Sheth Developers & Realtors (India) Limited (previously known as M/s Henkel Switchgear Limited) for the year ended March 31, 2011 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 and Investments Limited



Ashwin N. Sheth
Director



Ashwin N. Sheth
Director

Mumbai; September 8, 2011

CEO/CFO certification

We, the Directors of the Company appointed in terms of the Companies Act, 1956 certify to the Board that:

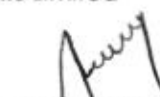
- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements 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) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We 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 the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes 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 we 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.

By the Order of the Board of Directors

For Precious Trading & Investments Limited



Ashwin N. Sheth
Director



Vallabh N. Sheth
Director

Mumbai; September 6, 2011



M.B. AGRAWAL & Co.
CHARTERED ACCOUNTANTS

204, Mhatre Pen Bldg., Senapati Bapat Marg,
Dadar (West), Mumbai - 400 028.

Tel.: 4029 8218

Fax : 2436 3312

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)
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 31st March 2011, the profit and loss account and the cash flow statement 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, Profit and Loss Account and the cash flow statement dealt with by this report are in agreement with the Books of Account.
 - iv) In our opinion, Balance Sheet, Profit and Loss Account and the cash flow statement 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, as on March 31, 2011, 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 31st March 2011 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



As Harshal

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



Place: Mumbai
Date: September 8th, 2011

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 2011 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.969.99 Lakhs (PY Rs.569.99 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.811.92 lacs. (PY Rs.411.04 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.1,14,743 for current financial year and in the immediately preceding financial year Rs1,20,383/-
- 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



AsHaukale

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



Place: Mumbai
Date: September 8th, 2011

PRECIOUS TRADING & INVESTMENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH,2011

SOURCES OF FUNDS	SCHEDULES	As At 31.03.2011 <small>(Rupees)</small>	As At 31.03.2010 <small>(Rupees)</small>
Shareholders Funds			
Share Capital	A	2,400,000	2,400,000
Reserves & Surplus	B	108,736,657	109,233,181
Loans Funds			
Unsecured Loans	C	81,192,103	41,104,435
		192,328,760	152,737,616
 APPLICATION OF FUNDS			
Investments	D	95,368,349	95,368,349
Current Assets, Loans & Advances			
Cash & Bank Balance	E	14,362	42,244
Loans & Advances	F	96,999,000	56,999,000
		<u>97,013,362</u>	<u>57,041,244</u>
Less :-			
Current Liabilities & Provisions			
Sundry Creditors	G	52,951	53,758
		<u>52,951</u>	<u>53,758</u>
Net Current Assets		96,960,411	56,987,486
Deferred Tax Asset	J	-	381,781
		192,328,760	152,737,616

Significant accounting policies & Notes to Accounts

As per our attached report of even date

For M. B. Agrawal & Co.

Chartered Accountants

Ashwini
Harshal Agrawal

(Partner)

Member No : 109438



For and on behalf of the Board



Ashwin N. Sheth
ASHWIN N.SHETH

(Director)

Valabh N. Sheth
VALABH N.SHETH

(Director)

Mumbai, September 08,2011

PRECIOUS TRADING & INVESTMENTS LIMITED
Profit and Loss Account for the year Ended 31st March,2011

	SCHEDULES	For the Year Ended 31.03.2011 (Rupees)	For the Year Ended 31.03.2010 (Rupees)
INCOME			
Other Income		-	-
EXPENSES			
Other Expenses	1	114,743	120,383
		114,743	120,383
Profit / (Loss) for the Year		(114,743)	(120,383)
Less : Provision for Tax			
- Deferred		381,781	-
- Income Tax Adjustment-Previous Year		-	74,000
Profit After Tax		(496,524)	(194,383)
Basic & Diluted Earnings per Equity Share		(2.07)	(0.81)

Significant accounting policies & Notes to Accounts J

As per our attached report of even date

For M. B. Agrawal & Co.

Chartered Accountants

Harshal Agrawal
Harshal Agrawal

(Partner)

Member No : 109438



Mumbai, September 08,2011

For and on behalf of the Board



Ashwin N. Sheth
ASHWIN N.SHETH

(Director)

Vallabh N. Sheth
VALLABH N.SHETH

(Director)

PRECIOUS TRADING & INVESTMENTS LIMITED
Schedules annexed to and forming part of Balance Sheet as at 31st March, 2011

	As At 31.03.2011	As At 31.03.2010
	(Rupees)	(Rupees)
A) SHARE CAPITAL		
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
	2,400,000	2,400,000
B) RESERVES AND SURPLUS		
General Reserve		
Surplus In Profit & Loss Account		
Per Last Year	10,967,663	11,162,046
Add : Addition During The Year		
Surplus / (Deficit) For the year	(496,524)	(194,383)
	10,471,139	10,967,663
Capital Reserve		
Per Last Year	98,265,518	98,265,518
	108,736,657	109,233,181
C) UNSECURED LOAN		
From Others	81,192,103	41,104,435
	81,192,103	41,104,435
D) INVESTMENTS		
(Non Trade Unquoted, Fully paid Up- Valued at Cost)		
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
(Face value of Rs.10/- and Premium of Rs.190/- per Preference Share)		
	95,368,349	95,368,349



PRECIOUS TRADING & INVESTMENTS LIMITED
Schedules annexed to and forming part of Balance Sheet as on 31st March, 2011

	As At 31.03.2011 <small>(Rupees)</small>	As At 31.03.2010 <small>(Rupees)</small>
E) CASH & BANK BALANCE		
Cash on hand	3,549	3,293
Balance at Bank		
In Current Account		
With Scheduled Bank	10,813	38,951
	14,362	42,244
F) LOANS & ADVANCES		
<small>(Unsecured - Considered Good)</small>		
Loans	96,999,000	56,999,000
	96,999,000	56,999,000
G) SUNDRY CREDITORS		
For Expenses & Others	52,951	53,758
	52,951	53,758
I) DEFERRED TAX		
Per Last year	381,781	381,781
Add : Addition/(Deduction) during the year	(381,781)	-
		381,781



PRECIOUS TRADING & INVESTMENTS LIMITED
Schedules annexed to and forming part of Profit & Loss for the year ended 31st March,2011

	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
	(Rupees)	(Rupees)
) OTHER INCOME		
Miscellaneous Income	-	-
	-	-
 1) OTHER EXPENSES		
Printing and Stationery	3,024	-
Advertisement Expenses	55,531	61,460
Legal & Professional Fees	20,500	20,410
Directors' Meeting Fees	3,000	3,000
Stock Exchange Listing Fees	11,030	11,130
Other Fees and Stamps	5,736	6,624
Auditors Remuneration :		
Audit Fees	11,030	11,030
R O C Filing Fees	2,000	2,800
Sundry Expenses	2,744	3,624
Bank Charges	148	305
	114,743	120,383



SCHEDULE 'I':

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

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, 2011

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	2010-11	2009-10
Audit Fees (Including service Tax)	11,030	11,030
Taxation Matters (Including service Tax)	Nil	Nil
Certification fees	Nil	2,809
Total	11,030	13,839

4. DIRECTORS' REMUNERATION:

Particulars	2010-11	2009-10
Salary	NIL	NIL
Meeting Fees	3,000	3,000
Total	3,000	3,000

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, 2011

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 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 as on March 31, 2011)	9,69,99,000	
3	Sheth Developers Private Limited (Loan taken O/s as on March 31, 2011)	8,11,92,103	



PRECIOUS TRADING & INVESTMENTS LIMITED

Schedules annexed to and forming part of Accounts for year Ended 31st March, 2011

12. As required by Accounting Standard - 20 the basic and Diluted (EPS) during the year is Rs. (2.07) [Previous Year Rs. (0.81)] 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, 2011 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, 2011	March 31, 2010
Deferred Tax Asset on account of: C/f Unabsorbed Business Losses	0	3,81,781
Net Deferred Tax Asset/(Liability)	0	3,81,781

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, 2011

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)



VALLABH N.SHETH
(Director)

Mumbai, 8th September, 2011

ATTENDANCE SLIP

(To be presented at the entrance)

28th ANNUAL GENERAL MEETING ON FRIDAY, 30th SEPTEMBER 2011, AT 10.00 A.M. AT "SHETH HOUSE", BEHIND DINDOSHI FIRE STATION, GEN A. K. VAIDYA MARG, OFF. W. E. HIGHWAY, MALAD (E), MUMBAI - 400097

Folio No.

Name of the Shareholder(s)
.....

Signature of the Shareholder(s)

(only shareholders/proxies are allowed to attend the meeting)

PROXY FORM

I/We of being a member(s) of Precious Trading & Investments Limited hereby appoint of in the district of failing whom of in the district of as my/our proxy to attend and vote for me/us and on my/our behalf at the Twenty Eighth Annual General Meeting of Precious Trading & Investments Limited to be held on Friday, 30th September, 2011 and/or at any adjournment thereof.

Folio No.

No. of Shares held

Signed this day of 2011



Signature across Revenue Stamp

Note: This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.



Tel.: 4029 8218

Fax : 2436 3312

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)
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.

AUDITOR'S REPORT

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

1. We have audited the attached consolidated balance sheet of **M/S. PRECIOUS TRADING & INVESTMENTS LIMITED**, as at 31st March 2011 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 generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared. In all material respects in accordance with an identified financial reporting framework and 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. We believe that our audit provides a reasonable basis for our opinion.
3. We have audited the financial statements of Sheth Developers and Realtors (India) Limited (previously known as Henkel Switchgear Limited), as subsidiary. Whose financial statements for the year ended 31/03/2011 reflect total assets of 4010.12 million (previous year 2699.36 million) and total of revenues of Rs.43.50 million (previous year Rs.23.44 million) for the year ended.
4. We report that the consolidated financial statements have been prepared by the company in accordance with the requirement of Accounting Standards issued by the ICAL VIZ. AS-21. Consolidated Financial statements, AS - 23 Accounting for Investments in Associates in the Accounting Standards Interpretations and amendments issued hereto, to the extent applicable for the year ended 31st march, 2011 and on the basis of the separate audited statements of **PRECIOUS TRADING & INVESTMENTS LIMITED**, its subsidiaries, associate and joint venture included in the consolidated financial statements.
5. 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 31st March 2011 and
- b) In the case of the Profit and Loss Account of Profit for the year ended on that date.

FOR M. B. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
FRN:100137W

A. Harshal



HARSHAL AGRAWAL
PARTNER
M. No.109438

Place: Mumbai
Date: 8th September, 2011

PRECIOUS TRADING & INVESTMENTS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedules	As At	As At
		31.03.2011 (Rupees)	31.03.2010 (Rupees)
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	A	2,400,000	2,400,000
Reserves & Surplus	B	163,109,603	149,166,697
Loans Funds			
Secured Loans	C	2,932,348,415	1,799,281,451
Unsecured Loans	D	888,963,609	671,182,956
Minority Interest	E	59,627,422	45,754,245
		4,046,449,049	2,667,785,348
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	F	877,335	724,930
Less: Depreciation		588,575	559,802
Net Block		288,760	165,128
Investments	G	87,690,100	87,690,100
Current Assets, Loans & Advances			
Inventories	H	13,246,672	3,188,021
Project Under Construction	I	3,207,032,047	1,820,952,894
Sundry Debtors	J	10,204	10,204
Cash & Bank Balance	K	10,273,262	12,872,279
Loans & Advances	L	960,696,790	855,916,572
		4,191,258,975	2,692,939,971
Less :-			
Current Liabilities & Provisions			
Liabilities	M	249,203,759	144,539,039
Provision	N	59,000	59,000
		249,262,759	144,598,039
Net Current Assets		3,941,996,216	2,548,341,931
Deferred Tax Asset	O	16,473,973	31,588,189
		4,046,449,049	2,667,785,348
Significant accounting policies & Notes to Accounts	P		

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

Chartered Accountants

A. Mansab
 Marshal Agrawal

(Partner)

Member No : 109438

Mumbai, September 08, 2011



FOR AND ON BEHALF OF BOARD

(Signature)

ASHWIN N. SHETH
 (Director)

(Signature)
 JITENDRA N. SHETH
 (Director)

PRECIOUS TRADING & INVESTMENTS LIMITED
Consolidated Profit and Loss Account for the year Ended 31st March,2011

	SCHEDULES	For Year Ended 31.03.2011 (Rupees)	For Year Ended 31.03.2010 (Rupees)
INCOME			
Sales & Services	1	-	-
Other Income	2	43,503,584	23,444,728
		43,503,584	23,444,728
EXPENSES			
Staff Cost	3	-	-
Construction & Other Cost	4	-	-
Technical Service Expenses		-	-
Operating & Administration Expenses	5	544,511	1,027,645
Finance Cost	6	-	-
Depreciation		28,773	17,271
		573,284	1,044,916
Profit / (Loss) for the Year		42,930,300	22,399,812
Less : Provision for Tax			
- Current		-	-
- Deferred		15,114,216	8,425,390
- Fringe Benefit Tax		-	-
- Prior Period		-	74,000
Profit After Tax		27,816,084	13,900,422
Basic & Diluted Earnings per Equity Share		115.9003	57.9184

Significant accounting policies & Notes to Accounts

P

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

Chartered Accountants

As Manshale
Harshal Agrawal
(Partner)

(Partner)

Member No : 109438

Mumbai, September 08,2011



FOR AND ON BEHALF OF 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 on 31st March, 2011

	As At 31.03.2011 (Rupees)	As At 31.03.2010 (Rupees)
A) SHARE CAPITAL		
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
	2,400,000	2,400,000
B) RESERVES AND SURPLUS		
General Reserve		
Surplus In Profit & Loss Account		
Per Last Year	10,967,663	11,162,046
Add : Addition During The Year		
Surplus / (Deficit) For the year	(496,524)	(194,383)
	10,471,139	10,967,663
Add: Profit & Loss A/c Henkel Switchgear (51%)	39,403,247	24,963,817
	49,874,386	35,931,480
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
	163,109,603	149,166,697
C) SECURED LOAN		
From Banks	2,932,348,415	1,799,281,451
	2,932,348,415	1,799,281,451
D) UNSECURED LOAN		
From Others	888,963,609	671,182,956
	888,963,609	671,182,956
E) Minority Interest		
Minority Interest in Share Capital (49%)	132,300,000	132,300,000
Minority Interest in Profits / (Loss)	(72,672,578)	(86,545,755)
	59,627,422	45,754,245
G) INVESTMENTS		
(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		
	87,690,100	87,690,100



PRECIOUS TRADING & INVESTMENTS LIMITED
SCHEDULES ANNEXED TO AND FORMING THE PART OF THE CONSOLIDATED BALANCE SHEET AND CONSOLIDATED PROFIT & LOSS ACCOUNT AS
AT 31ST MARCH,2011

F) NET FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2010	Additions during the year	deductions during the year	Balance as at 31.03.2011	Provided upto 31.03.2010	For the year	On Deductions	Total upto 31.03.2011	Cost as at 31.03.2011	Cost as at 31.03.2010
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Plant & Machinery	363,965	84,955	-	448,920	291,181	5,086	-	296,267	152,653	72,784
Furniture & Fittings	303,765	-	-	303,765	254,557	3,481	-	258,038	45,727	49,208
Computers	57,200	67,450	-	124,650	14,064	20,206	-	34,270	90,380	43,136
Total	724,930	152,405	-	877,335	559,802	28,773	-	588,575	288,760	165,128
Previous Years Figures	716,155	8,775	-	724,930	542,531	17,271	-	559,802	165,128	173,624



PRECIOUS TRADING & INVESTMENTS LIMITED
Schedules annexed to and forming part of Balance Sheet as on 31st March, 2011

	As At 31.03.2011 (Rupees)	As At 31.03.2010 (Rupees)
H) INVENTORY		
Construction Materials	13,246,672	3,188,021
	13,246,672	3,188,021
I) PROJECT UNDER CONSTRUCTION		
Land Cost	372,757,365	372,757,365
Infrastructure Cost	137,496,120	110,960,804
Construction Cost	1,695,003,277	940,981,916
Other Construction Cost	334,097,002	81,415,192
Professional & Designing Fees	181,505,225	155,662,435
Sales & Adm. Expenses	25,776,273	7,344,297
Interest On Bank Loan	414,367,872	118,085,449
Misc. Other Cost	46,028,915	33,745,436
	3,207,032,047	1,820,952,894
J) SUNDRY DEBTORS (Unsecured Considered Good)		
Debts outstanding for a period exceeding six months.	10,204	10,204
	10,204	10,204
K) CASH & BANK BALANCE		
Cash on hand	34,891	62,647
Balance at Bank		
In Current Account		
With Scheduled Bank	3,168,548	12,284,677
In Fixed Deposits	7,069,823	524,955
	10,273,262	12,872,279
L) LOANS & ADVANCES (Unsecured - Considered Good)		
Loans	96,999,000	56,999,000
Advances recoverable in cash or in kind or for value to be received	855,302,750	790,759,211
Deposits with customers / Others	8,070,882	7,870,882
Advance Income Tax	324,158	287,479
	960,696,790	855,916,572
M) CURRENT LIABILITIES		
Acceptance	229,742	229,742
Sundry Creditors	162,776,522	117,764,839
Other liabilities	86,197,495	26,544,459
	249,203,759	144,539,039
N) PROVISIONS		
Income Tax	59,000	59,000
	59,000	59,000
O) DEFERRED TAX ASSETS		
Per Last year	31,588,189	40,013,579
Add : Addition/(Deduction) during the year	(15,114,216)	(8,425,390)
	16,473,973	31,588,189



PRECIOUS TRADING & INVESTMENTS LIMITED
Schedules annexed to and forming part of Profit & Loss for the year ended 31st March,2011

	For Year Ended 31.03.2011 (Rupees)	For Year Ended 31.03.2010 (Rupees)
1) SALES AND SERVICE		
Sales Service	-	-
2) OTHER INCOME		
Dividend Income	2,000	2,000
Interest from Banks	321,584	27,728
Miscellaneous Income	43,180,000	23,415,000
Sundry Balance written back	-	-
	43,503,584	23,444,728
3) STAFF COST		
Salaries,Wages & Bonus etc.	-	-
4) CONSTRUCTION & OTHER COST		
Work In Progress B/f.	1,820,952,894	1,115,023,791
Addition During The Year		
Land Cost	-	-
Material Cost		
Opening Stock	3,188,021	-
Add : Purchases	132,022,763	9,958,601
	135,210,784	9,958,601
Less : Closing Stock	13,246,672	3,188,021
	121,964,112	6,770,580
Labour Cost	658,592,564	527,269,132
Other Cost	605,522,476	171,889,391
	3,207,032,047	1,820,952,894
Less : Transferred To Investments-(Project Under Construction)	3,207,032,047	1,820,952,894
5) OTHER EXPENSES		
Advertisement Expenses	55,531	61,460
Legal & Professional Fees	155,799	20,410
Directors' Meeting Fees	3,000	3,000
Stock Exchange Listing Fees	11,030	11,130
Other Fees and Stamps	5,736	6,624
Travelling & Conveyance Expenses	24,816	9,001
Stationery, Postage, Telex and Telephone	252,320	204,855
Auditors Remuneration :		
Audit Fees	30,663	30,663
R O C Filing Fees	2,000	2,800
Service Tax	-	-
Sundry Expenses	3,468	657,091
Bank Charges	148	20,611
	544,511	1,027,645
6) FINANCE COST		
Interest paid	-	-



**P. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO
CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011.**

A. SIGNIFICANT ACCOUNTING POLICIES:

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 the Provisions of the Companies Act, 1956.
- b. The Company follows the mercantile system of accounting and recognizes Income & Expenditure on accrual basis.

2. Fixed Assets:

Fixed Assets are stated at cost less depreciation.

3. Depreciation:

The Company has provided depreciation on straight line method (SLM) at the rates prescribed under schedule XIV of the Companies Act, 1956.

4. Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual assessment basis. In accordance with AS 13 – 'Accounting for Investments' issued by ICAI, the Company classifies premises held by it for earning income by way of rent as long term investments. Long-term investments are carried at cost.

5. Revenue Recognition:

Revenue is recognized when no significant uncertainty as to measurability or Collectivity exists.

6. Inventories:

Inventories are valued at cost or net realisable value whichever is lower.



7. Borrowing Costs:

The borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets in accordance with the AS – 16 issued by the ICAI. A qualifying asset is the one that necessarily takes a substantial period of time to get ready for intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

8. Foreign Currency Transactions :

- Income and Expenditure in foreign currency is converted into Indian Rupees at the rate of exchange prevailing at the date of transaction.
- Exchange rate difference is charged to Profit and Loss account on final payment of liability

9. Other Accounting Policies:

These are consistent with generally accepted accounting policies except interest, penalty and other demand/refunds finalized on completion of assessment under Income Tax Act, Maharashtra value added Tax, etc. which will be accounted on completion of assessment.

10. Claims, Demands And Contingencies:

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

11. Provision For Taxation :

Current tax is the amount of tax payable on the taxable Income for the year calculated in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized on timing differences; being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. 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 realized. The tax effect is calculated on the accumulated timing differences between the profit as per financial statements and the profits offered for income tax, based on tax rates that have been enacted or substantively enacted at the balance sheet date.



B. NOTES TO ACCOUNTS

1. PRINCIPLES OF CONSOLIDATION:

The consolidated Financial Statements comprise the Financial Statements of the parent company and its Subsidiaries. Minority interest in the net assets of the subsidiary disclosed separately.

The financial statements of the company and its subsidiaries are combined on a line by line basis by adding together book values of like items of assets, liabilities, income & expenses after fully eliminating intra group transactions in accordance AS-21 "Consolidated Financial Statements".

Difference between the cost of investment and the parent's portion of equity in the subsidiary company as on the date of the holding-subsidiary relationship coming into existence and at anytime thereafter is recognised as Capital Reserve / Goodwill as the case may be.

Investments made by the parent company in the subsidiary companies subsequent to the holding-subsidiary relationship coming into existence are eliminated while preparing the consolidated financial statements.

Intra group balances and intra group transactions are eliminated to the extent share of the parent company in full.

2. FINANCIAL STATEMENTS:

Consolidated financial statements are prepared and presented upon the principles consistent with the manner stipulated in Accounting Standards (AS)-21: 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, as follows:

- i. Financial statements of Parent and that of its Subsidiary have been drawn up to the same reporting date i.e. as on 31st March 2011.
- ii. Cost of Investments to the Parent Company in the Subsidiary is eliminated and the difference between the cost of Investment and the intrinsic value of investments and prior period profits is treated as Capital reserve, as follows:



Particulars	Amount Rs.
Cost of Investment (for acquisition of 1,37,70,000 Equity Shares of Rs. 10/- each)	76,88,249
Less: Intrinsic Value of 1,37,70,000 Equity Shares of Rs. 10/-	13,77,00,000
Less: Profits earned prior to acquisition	-11,50,42,052
Capital Reserve on Consolidation	1,49,69,700

3. DETAILS OF THE SUBSIDIARY INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS:

Name: Sheth Developers and Realtors (I) Ltd (previously known as M/s. Henkel Switchgear Limited).

Proportion of Ownership and Voting Power as on 31st March 2011: 51%.

4. Investment work-in-progress

Investment work-in-progress is carried at Cost. Cost includes:

- i) Expenditure directly relating to construction of investment properties.
- ii) Indirect expenditure incurred during construction period to the extent to which the expenditure is indirectly related to construction or is incidental thereto.
- iii) Borrowing costs incurred in respect of loans taken for construction purposes.

5. To the best of our knowledge and as per the information available with the management, sundry creditors include Rs. Nil (Previous year Rs. Nil] due to small-scale industrial undertakings.



6. AUDITORS REMUNERATION:

Particulars	2010-2011	2009-2010
	Rupees	Rupees
Audit Fees (including Service Tax)	30,663	30,663
Taxation Matters	Nil	Nil
Certification Fees	Nil	Nil
	30,663	30,663

7. In the opinion of the directors the current assets, loans and advances 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 depreciation and for all known liabilities is adequate.
8. Remuneration to the Directors: Rs. Nil(Previous year Rs. Nil).Meeting Fees of Rs 3000/- have been paid to the directors (P.Y 3000/-)
9. Expenditure in Foreign Currency during the year is Rs.1,25,59,233/- (Previous Year - Rs.72,99,416/-)
10. The company does not have any employees, accordingly disclosures as per AS - 15 are not disclosed.
- 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:**

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

(ii) **Details of Transaction:**

Transaction	Relationship	Amount Rs.
Unsecured Loans	Holding Company	88,89,63,608
Unsecured Loans	Associates	9,69,99,000
Meeting Fees	Directors	3,000
Sale of flat	Holding Company	16,00,00,000
Purchase of Flat	Holding Company	11,68,20,000
Loans and Advance Given	Holding Company	73,00,00,000

12. EARNINGS PER SHARE

As required by the Accounting Standard -20 the Earnings Per Share (EPS) is Rs115.90[Previous Year Rs 57.92/-] 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. There is no lease transaction during the year requiring disclosure as per Accounting Standard -19.



14. DEFERRED TAXATION :

The break up of Net Deferred Tax Asset as at March 31, 2011, 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

Particulars	March 31, 2011	March 31, 2010
Deferred Tax Liability on account of :		
a. Depreciation differential	(26,905)	(21,639)
Deferred Tax Asset on account of:		
a. C/f Unabsorbed Business Losses & Depreciation	1,64,62,350 38,528	3,15,70,383 39,445
b. C/F Capital Loss		
c. Section 43 B of the Income Tax Act, 1961:	Nil	Nil
Disallowances	Nil	Nil
d. Section 35DDA of the Income Tax Act, 1961:	Nil	Nil
Amortization		
e. 40(a)(ia) Disallowances		
f. Deferred Tax Assets /(Liability) on account of Timing Difference between Amalgamation expenses u/s 35 DD of I.T. Act 1961		
Net Deferred Tax Asset	1,64,73,973	3,15,88,189



15. Prior year comparatives

Prior year figures are regrouped / reclassified wherever necessary for comparative purposes.

For M. B. AGRAWAL & CO.
Chartered Accountants
FRN:100137W

A. J. Harshale
Harshal Agrawal
(Partner)
Member No : 109438



Mumbai, 8TH September , 2011

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

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2011

PARTICULARS	31.03.2011	31.03.2010
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before tax & extra-ordinary items	(114,743)	(120,383)
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	(114,743)	(2,398,383)
Adjustments for:		
Increase / (Decrease) in Current Liabilities & Provisions	(807)	(4,749)
(Increase) / Decrease in Loans	(40,000,000)	(4,821,000)
Cash generated from Operations before Extra-Ordinary Items	(40,115,550)	(7,224,132)
Less: Income Tax paid	-	-
Net Cash From Operating Activities (A)	(40,115,550)	(7,224,132)
B. Cash Flow from Investment Activities		
Sale of Investment	-	-
Net Cash From Investing Activities (B)	-	-
C. Cash Flow from Finance Activities		
Unsecured loan received	40,087,668	7,252,135
Net Cash from Finance Activities (C)	40,087,668	7,252,135
Net Increase / (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]	(27,882)	28,003
Cash & Cash Equivalents as on 01/04/2010 & 01/04/2009	42,244	14,241
Cash & Cash Equivalents as on 31/03/2011 & 31/03/2010	14,362	42,244

In terms of our report of even date

For M. B. Agarwal & Co.

Chartered Accountants

M. B. Agarwal
Harshal Agarwal
 (Partner)

Member No : 109438

Mumbai; September 08,2011



FOR AND ON BEHALF OF THE BOARD

Ashwin N. Sheth

Ashwin N. Sheth
 Director

PRECIOUS TRADING & INVESTMENTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2011

PARTICULARS	31.03.2011	31.03.2010
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before tax & extra-ordinary items	42,930,300	22,399,812
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	2,000
Reversal on Loss of Sale of Assets	-	-
Loss on Sale of Fixed Assets	-	-
Depreciation	28,773	17,271
Increase / (Decrease) in Inventory	(10,058,651)	(3,188,021)
Operating Profit / (Loss) before Working Capital Changes	32,902,422	16,953,062
Adjustments for:		
Increase / (Decrease) in Current Liabilities	104,664,719	19,578,904
(Increase) / Decrease in Sundry Debtors	-	-
(Increase) / Decrease in Loans & Advances	(104,780,218)	(720,431,623)
Cash generated from operations	32,786,923	(683,899,657)
Less: Taxes Paid	-	-
Net Cash From Operating Activities (A)	32,786,923	(683,899,657)
B. Cash Flow from Investment Activities		
(Purchase)/Sale of fixed Assets(Net)	(152,405)	(8,775)
Project Investment	(1,386,079,153)	(705,929,103)
Sale of Investment	-	-
Sale of Fixed Assets	-	-
Dividend on Shares	(2,000)	(2,000)
Net Cash From Investing Activities (B)	(1,386,233,558)	(705,939,878)
C. Cash Flow from Finance Activities		
Secured loan received	1,133,066,964	1,799,281,451
Unsecured loan received	217,780,653	(402,663,379)
Net Cash From Finance Activities (C)	1,350,847,617	1,396,618,072
Net Increase or Decrease in Cash & Cash Equivalents [(A)+(B)+(C)]	(2,599,018)	6,778,537
Cash & Cash Equivalents as on 01/04/2009 & 01/04/2008	12,872,279	6,093,742
Cash & Cash Equivalents as on 31/03/2011 & 31/03/2010	10,273,262	12,872,279



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

As Haulhal

Harshal Agarwal

(Partner)

Member No : 109438

Mumbai; September 08, 2011



ASHWIN N. SHETH

ASHWIN N. SHETH

Director