

TWENTY FIRST ANNUAL REPORT

OF

PRECIOUS TRADING & INVESTMENTS LIMITED

2003 – 2004

PRECIOUS TRADING & INVESTMENTS LIMITED

Twenty First Annual Report 2003-2004

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PRECIOUS TRADING & INVESTMENTS LTD.

Regd. Office : 11, Vora Palace, Next to Dena Bank, M.G. Road, Kandivali (West), MUMBAI-400 067.
Tel.: 2808 7937, 2808 8363, 2861 9283, 2801 2171 ■ **Fax :** 2808 6662

Admin Office: "SHETH HOUSE", Vasant Valley, Next to Dindoshi Bus Depot, Gen. A.K. Vaidya Marg, Malad (East), MUMBAI-400 097. ■ **Tel.:** 2842 6227 (7 Lines) ■ **Fax :** 2842 6234

NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of Precious Trading & Investments Limited will be held on Thursday the 30th day of September 2004 at 4.30 p.m. at the Registered Office of the Company at 11, Vora Palace, Next to Dena Bank, M.G. Road, Kandivali (West), Mumbai – 400 067 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2004 and the Profit & Loss Account for the year ended on that date together with Director's and Auditor's Report thereon.
2. To appoint a Director in the place of Mr. Vallabh N. Sheth, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. Bipin M. Sharda & Co., Chartered Accountants, Thane, the retiring Auditors of the Company, as Auditors, who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting, and to fix their remuneration.

SPECIAL BUSINESS:

4. To declare the result in the Twenty First Annual General Meeting in respect of the following Special Resolution for alteration of the existing Object Clause of Memorandum of Association of the Company under the heading 'Other Objects' require to be transacted through postal ballot.

"RESOLVED that subject to Sections 17, 192A and other applicable provisions, if any, of the Companies Act, 1956, that the existing Object Clause of the Memorandum of Association be altered in manner following:

After existing clause 76 in paragraph III of the Memorandum of Association of the Company, the following new clauses be added numbered from 77 to 81.

- "77. To carry on the business as developers of land, buildings, immovable properties and of real estates by constructing, reconstructing, altering, improving, furnishing and maintaining offices, flats, houses, factories, ware-houses, shops, wharves, buildings works and conveniences and by consolidating connecting and sub-dividing immovable properties and by leasing and disposing of the same.
78. To carry on the business of builders, contractors, erectors, constructor of buildings, houses, apartments, structures for residential, industrial, commercial, institutional or Developers of Co-operative Housing Societies, developers of housing schemes, townships, holiday resorts, hotels, motels and in particular preparing of building of sites, constructing, reconstructing erecting, altering, improving, enlarging, developing, furnishing and maintaining of structures, flats, houses, factories, shops, garages, warehouses, buildings, works, workshops, godowns, and conveniences to purchase for development or for resale lands, houses, buildings, structures and other properties of any tenure and any interest and to purchase, sell land or building and give land and/or building and lease, sub-lease, and to deal in properties.

79. To carry on the business of architects, designers, draughts men, surveyors, valuers, consultants, experts in consultancy service, engineers, constructional engineers, aeronautical engineers, electrical engineers, oil/fuel engineers, mining and metallurgical engineers and engineering of every type and description including the business of building and contractors.
80. To carry on the business of contractors, developers, civil & structural engineers of bridges, roads, dams, ports, airports, stations, warehouses, markets, ropeways, industrial structures.
81. To acquire and hold one or more membership in stock/security trade associations, commodity exchanges, clearing houses or association or otherwise in India or any part of the world, to secure membership privileges there from and to acquire and hold membership in any association of bankers, insurance companies, brokers, security dealers or commodity dealers or any other association, membership of which will or is likely in any way to facilitate the conduct of the Company's business and to carry on the business of investors, services, investments, underwritings, distributions of securities, placements, participation in capital issues, marketing of issues, credit rating research of issue and securities of all kinds, circulation of information, publication and news letter, reports related to investments."

RESOLVED FURTHER that the Board of Directors be and are hereby authorized to accept such modifications, alterations as may be suggested by the Registrar of Companies, Maharashtra, Mumbai and to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto for giving effect to the aforesaid Resolution."


NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE TWENTY FIRST ANNUAL GENERAL MEETING.
2. Explanatory Statement pursuant to Section 173(2) and 192A of the Companies Act, 1956, in respect of the business under item No.4, set out above is annexed hereto.
3. Members are requested to notify change of address, if any, to the Company's registered office at Mumbai.
4. The Register of Members & the Transfer Books of the Company will be closed from 22nd September 2004 to 30th September 2004 (both days inclusive).

By the order of the Board
For Precious Trading & Investments Limited

Mumbai, 28th July 2004

Registered Office:
11, Vora Palace, M.G. Road,
Next to Dena Bank,
M.G. Road, Kandivali (West),
Mumbai - 400 067.


Vallabh N. Sheth
Director

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EXPLANATORY STATEMENT

As required under Section 173(2) of the Companies Act, 1956, the following Explanatory Statement set out all material facts relating to the Special business mentioned in the accompanying Notice dated 28th July 2004.

ITEM NO.4

The Board of Directors at its meeting held on 28th July 2004 has discussed and decided to diversify and expand the business activity of the Company by entering in to the business of Real Estate Development. The proposed diversification / expansion of business activity is subject to alteration in existing clauses of Memorandum of Association by way of inserting new clauses relating to the Real Estate Development, which will add to its profit and enable the Company to undertake and carry on the business of Real Estate Development as intended.

In circumstances aforesaid, it is proposed to alter the existing Memorandum of Association of the Company by adding new clauses numbered from 77 to 81 to paragraph III of the existing Memorandum of Association of the Company as set out in the Special Resolution of item No. 4 of the foregoing Notice.

The proposed amendment is subject to consent of members of the Company to be accorded by a Special Resolution in terms of Section 17 of the Companies Act, 1956.

Under the provisions of Section 192A inserted by the Companies (Amendment) Act, 2000, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended, it is mandatory to obtain the consent of members by Postal Ballot.

The Directors recommended the Special Resolution for approval of members by Postal Ballot.


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

A print of the existing Memorandum of Association of the Company with proposed alteration denoted therein is open for inspection by member at the Registered Office of the Company on all working days except Saturdays and Holidays between 11.00 a.m. and 1.00 p.m. up to 30 days from the date of issue of this Notice.

By the order of the Board
For Precious Trading & Investments Limited

Mumbai, 28th July 2004

Registered Office:
11, Vora Palace, M.G. Road,
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Mumbai - 400 067.


Vallabh N. Sheth
Director

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DIRECTORS' REPORT

To the Members of
 Precious Trading & Investments Limited

Your directors have pleasure in presenting the Twenty First Annual Report together with the Audited accounts of your company for the year ended 31st March 2004.

FINANCIAL RESULTS:

Particulars	2003-2004 (Rs.)	2002-2003 (Rs.)
Income	17,27,956	54,15,949
Other Expenses	7,45,733	3,62,852
Profit before Interest & Tax	9,82,223	50,53,097
Interest	-	50,62,512
Profit before Tax	9,82,223	(-) 9,415
Provision for Taxation	4,29,721	4,24,872
Profit after Tax	5,52,502	4,15,457
Earning per Share (EPS)	2.30	1.73

RESULT OF OPERATION:

During the period under review, your Company has made a Profit before tax of Rs. 9,82,223/- by shelling out the loss of Rs. 9,415/- incurred during the year 2002 – 2003; this is mainly on account of complete saving in interest cost. Subsequently, the Net worth of the Company has also increased due to substantial increase in profitability and acquisition of reserves pursuant to the Scheme of Amalgamation with Brass Tacks Securities Private Limited.

DIVIDEND:

To conserve its funds for future business purpose, your Board does not recommended any dividend.

AMALGAMATION WITH BRASS TACKS SECURITIES PRIVATE LIMITED:

The Honorable Bombay High Court has approved the Scheme of Amalgamation pursuant to Section 391 to 394 of the Companies Act, 1956 of Brass Tacks Securities Private Limited with Precious Trading & Investments Limited on 26th March 2004, which is effective from appointed date i.e. 1st April 2003.

HOLDING COMPANY AND SIGNIFICANT SHAREHOLDING:

Sheth Developers Private Limited is the holding Company having a stake of 74.99% of the total Issued & Subscribed Share Capital representing 1,79,970 Equity Shares of Rs. 10/- each fully paid up.

SUBSIDIARY COMPANY:

Audited accounts for the year ended on 31st March 2004 together with the Directors' Report and Auditors Report thereon in respect of subsidiary viz: Henkel Switchgear Limited are annexed and form the part of this report. Statements of the Holding Company's interest in the subsidiary pursuant to Section 212 of the Companies Act, 1956, to the extent applicable, have been appended.

FIXED DEPOSIT:

Your Company has not accepted any deposits and there are no deposits unclaimed and unpaid during the year.

DIRECTORS:

In accordance with the Articles of Association of the Company and pursuant to the provisions of the Companies Act, 1956, Mr. Vallabh N. Sheth, Director of the Company will retire by rotation and is eligible for re-appointment.

DIRECTORS' RESPONSIBILITIES STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of the annual accounts for the year ended 31st March 2004, the applicable accounting standards have been followed along with proper explanation relating to material departures,
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2004, and of the profit of the Company for the year ended on that date.
- c) They have taken proper and sufficient care 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, and
- d) They have prepared the annual accounts of the Company on a 'going concern' basis.

AUDITORS:

M/s. Bipin M. Sharda & Co., Chartered Accountant, Thane, will retire as Auditors at the ensuing Annual General Meeting of the company but being eligible offer themselves for re-appointment.

CASH FLOW STATEMENT:

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchange, the Cash Flow Statement for the year ended 31st March, 2004 is annexed hereto.

CONSOLIDATED ACCOUNTS:

In accordance with the requirements of Accounting Standards 21 as prescribed by the Institute of Chartered Accountants of India, the Consolidated Financial Statements of the Company and its Subsidiaries is annexed to this report.

LISTING FEES:

The Company declares that its Securities are listed on Mumbai Stock Exchange and the Company confirms that it has paid annual Listing Fees due to the Stock Exchange for the year 2004 – 2005.

COMPLIANCE CERTIFICATE:

A certificate from the Practicing Company Secretary referred to in the proviso to sub-section (1) of Section 383A of the Companies Act, 1956 and as per Companies (Compliance Certificate) Rules, 2001 is attached to this report.

PARTICULARS OF EMPLOYEES:

There are no employees covered under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended and hence no particulars are required to be furnished.

CONSERVATION OF ENERGY:

Wherever possible, the Company is taking necessary steps for conserving the energy by monitoring the consumption.

TECHNOLOGY ABSORPTION: NIL

FOREIGN EXCHANGE EARNING AND OUTGO:

The Foreign Exchange earnings and outgo during the period under review were Nil.

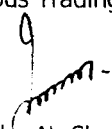
ACKNOWLEDGEMENT:


The Directors would like to express their sincere thanks and appreciation to the employee and the Members for their continued support.

Mumbai, 28th July 2004

Registered Office:
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By the order of the Board
For Precious Trading & Investments Limited


Jitendra N. Sheth
Director


Vallabh N. Sheth
Director

AUDITORS' REPORT TO THE MEMBERS OF
 PRECIOUS TRADING AND INVESTMENTS LIMITED

We have audited the attached Balance Sheet of PRECIOUS TRADING AND INVESTMENTS LIMITED as at 31st March 2004 and also the Profit & 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.

We conducted our audit in accordance with 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 & disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 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 and 5 of the said Order, to the extent applicable to the Company.

Further to our comments in Annexure referred to in paragraph 3 above, we report that

- a) 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;
- b) In our opinion proper Books of Account as required by Law have been kept by the Company so far as appears from our examination of the Books of the Company;
- c) The said Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by the report are in agreement with the Books of Account;

- d) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred in sub section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of the written representation from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2003 from being appointed as a director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our Information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;.
- i) In the case of balance Sheet, of the state of the affairs of the Company as at 31st March, 2004;
 - ii) In the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the Company for the year ended on that date.

For Bipin M Sharda & Co.
Chartered Accountants.

Bipin M Sharda
(Proprietor)



Place: Thane

Dated: 28th July 2004.