

## **NOTICE**

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the members of the Company will be held on Saturday the 29<sup>th</sup> day of September 2007 at 4.30 p.m. at the registered office of Precious Trading & Investments Limited to transact the following businesses:

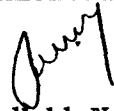
### **Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2007 and Profit & Loss Account for the financial year 2006-2007 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, offer himself for re-appointment;
3. To appoint M/s. M. B. Agrawal & Company, Chartered Accountants, Mumbai as a Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### **Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the company. In order to have the effect, the instrument, specifying the appointment of the proxy must be deposited at the registered office of the Company not less than 48 hours prior to the commencement of the meeting;
2. Members/proxies should fill the attendance slip for attending the meeting;
3. In case of Joint-holders attending the meeting, only such joint-holder whose name appears first in the order of names, in a register of members, will be entitled to vote;
4. The Register of Members and the Share Transfer Book will remain closed with effect from Saturday the 22<sup>th</sup> day of September 2007 to Saturday the 29<sup>th</sup> day of September 2007 (both days inclusive);
5. Corporate members are requested to send a duly certified copy of the Board resolution authorizing their representative to attend and vote at the meeting;

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

  
**Vallabh N. Sheth**  
Director

Mumbai, 6<sup>th</sup> September 2007

**PRECIOUS TRADING & INVESTMENTS LTD.**

**Regd. Office :** 11, Vora Palace, Next to Dena Bank, M.G. Road, Kandivall (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

**DIRECTORS' REPORT**

The Board of Directors is pleased to present 24<sup>th</sup> Annual Report together with the Audited Statements of Accounts of the Company for the year ended on 31<sup>st</sup> March 2007.

**Financial Highlights:**

Particulars	31 <sup>st</sup> March 2007	31 <sup>st</sup> March 2006
Sales & other operational income	12,459,064.00	-
Less: Operational expenses	213,172.00	1,40,758.00
Profit/(Loss) before Taxation	12,245,892.00	(-)1,40,758.00
Less: Provision for Taxation		
Current	2,204,000.00	-
Deferred (Asset)/Liability	71,481.00	(-)2,05,236.00
Profit/(Loss) for the year	9,970,411.00	64,478.00
Earning per share Basic	41.54	(-) 0.27

**Dividend:**

In order to conserve the resources for future business propositions, the Directors have decided not to recommend any dividend for the year 2006-2007.

**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 31<sup>st</sup> March 2007, the Company had not any outstanding / unclaimed/ overdue deposits as on 31<sup>st</sup> March 2007.

**Director:**

Mr. Jitendra N. Sheth. Director, retires from the Board of Directors by rotation and is eligible for 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 31<sup>st</sup> March 2007 does not contain any qualification.

**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 Wholtime Practice is appended herewith certifying that the Company has complied with all the applicable provisions of the Companies Act, 1956.

**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 31<sup>st</sup> March 2007 the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b. 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 2007 and that of Profit & Loss for the year ended on 31<sup>st</sup> March 2007;
- c. 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;
- d. the annual accounts have been prepared on a going concern basis.

**Consolidated Financial Accounts:**

The 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 are prescribed by the Institute of Chartered Accountants of India, is attached as enclosures to the Company's Financial Statements together with the statement of Company's interest as to its holding in the subsidiaries, pursuant to the Section 212 of the Companies Act, 1956, to the extent applicable.

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

- a. Energy Conservation: wherever possible the Company has taken the necessary steps for the conservation of energy by monitoring the consumption thereof;
- b. Technology Absorption: Not Applicable
- c. Foreign Exchange Earnings & Outgoes: During the period under review, the Company had not earned nor incurred any outflows in Foreign Exchange.

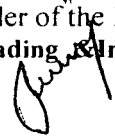
**Particulars of Employees:**

No employees were 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 of support and co-operation received from all stakeholders.

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

  
Vallabh N. Sheth

Director

Mumbai: 4th September 2007

**M.B. AGRAWAL & CO.****CHARTERED ACCOUNTANTS**204, Mhatre Pen Bldg., Senapati Bapat Marg,  
Dadar (West), Mumbai - 400 028.

Tel.: 2431 4881 / 2431 4882

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.

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

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

**AUDITORS' REPORT**

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

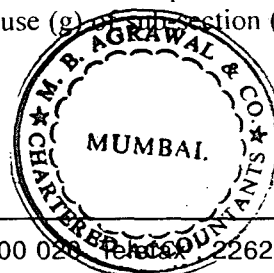
We have audited the attached Balance sheet of M/S. PRECIOUS TRADING & INVESTMENTS LIMITED, as at 31<sup>st</sup> March 2007 and also the annexed Profit & Loss Account of the company for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are 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 and 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 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.

Further to our comments in the Annexure referred to 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, Company has kept proper books of accounts, as required by law, so far as appears from our examination of the books of the Company;
- (c) The Balance sheet, the Profit and Loss Account and Cash Flow Statement referred to this report are in agreement with the books of account of the Company;
- (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting standards referred to in Section 211(3C) of Companies Act;
- (e) On the basis of representation received from the directors as on 31<sup>st</sup> March 2007, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified as on 31<sup>st</sup> March 2007 from being appointed as 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 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 the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2007,
  - (ii) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date, and
  - (iii) In the case of the Cash Flow Statement, of the Fund Flow of the Company for the year ended on that date.

FOR M.B. AGRAWAL & CO.  
CHARTERED ACCOUNTANTS

*As Harshal*  
HARSHAL AGRAWAL  
PARTNER  
M.No. 109438

PLACE: MUMBAI  
DATE: SEPTEMBER 04, 2007

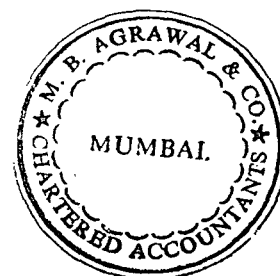


Report  junction.com

## Annexure to the Auditors' Report

Referred to in paragraph (2) of our report of even date on the accounts for the year ended 31<sup>st</sup> March 2007 of M/s. **PRECIOUS TRADING & INVESTMENTS LIMITED**. Clauses (i), (ii), (viii), (xi), (xii), (xiii), (xv) and (xvi) of CARO, 2003 either nil or not applicable to the company.

- i) a) The Company has granted the unsecured loan of Rs. 173.97 Lakhs 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) There are no receipt of principal amount of loan and interest. The same is in accordance with the terms of contract.
- d) There are no overdue amount of Rupees one Lakh.
- e) The company has not taken any loans from parties covered in register maintained u/s. 301 of the Act. Therefore clause (iii) (e), (f) and (g) are not applicable.
- ii) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed asset, and with regard to the sale of goods and securities. During the course of our audit, no major weakness has been noticed in the internal controls.
- iii) a) The particulars of contracts or 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, transactions 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) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provision of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules there under are not applicable to the Company. Since the Company has not defaulted in repayment of deposits, compliance of Section 58AA or obtaining any order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, does not arise.
- v) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- vi) 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.



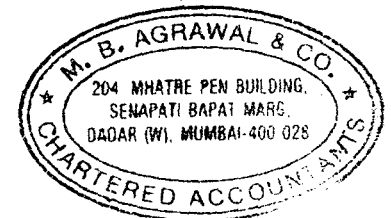


- b) In our opinion and according to the information and explanation given to us, there are no dues of Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/ Custom Duty/ Excise Duty/ Cess which are not deposited on account of any dispute.
- vii) The Company does not have accumulated losses at the end of the financial year, has not incurred any cash loss for current financial year but it has incurred a cash loss of Rs. 1.41 lakhs in the immediately preceding financial year.
- viii) a) Based on the records examined by us according to the information and explanation given to us, we are of the opinion that the Company is maintaining proper record of the transactions and contracts of dealing or trading in shares and other investments and timely entries have been made in those records.
- b) Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanation given to us, the shares and other investments have been held by the Company in its own name.
- ix) According to the Cash Flow Statement and records examined by us and according to the information and explanation given to us, there are no short term loans availed by the Company.
- x) The Company has not made any preferential allotment of shares to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956, during the year.
- xi) According to the information and explanation given to us and the records examined by us, Company has not issued Debentures.
- xii) The Company has not raised money by way of public issue during the year.
- xiii) To the best of 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 by the Company during the year.

**For M. B. Agrawal & Co.  
Chartered Accountants**

*A. S. Hanbale*  
**Harshal Agarwal  
Partner  
M.No. 109438**

**PLACE: MUMBAI  
DATE: SEPTEMBER 04, 2007**



**PRECIOUS TRADING & INVESTMENTS LIMITED**

BALANCE SHEET AS AT 31ST MARCH, 2007

SOURCES OF FUNDS	SCHEDULES	As At	As At
		31.03.2007 (Rupees)	31.03.2006 (Rupees)
Shareholders Funds			
Share Capital	A	2,400,000	2,400,000
Reserves & Surplus	B	109,585,027	99,614,616
		<b>111,985,027</b>	<b>102,014,616</b>
<b>APPLICATION OF FUNDS</b>			
Investments	C	95,368,349	102,755,098
Current Assets, Loans & Advances			
Cash & Bank Balance	D	64,968	98,227
Loans & Advances	E	19,571,700	-
		19,739,668	98,227
Less :-			
Current Liabilities & Provisions			
Sundry Creditors	F	1,277,435	1,268,634
Provision	H	2,204,000	-
		3,481,435	1,268,634
Net Current Assets		16,258,234	(1,170,407)
Deferred Tax Asset	G	358,444	429,925
		<b>111,985,027</b>	<b>102,014,616</b>
Significant accounting policies & Notes to Accounts	I		

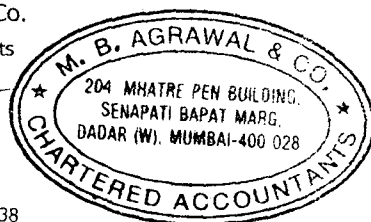
As per our attached report of even date

For M. B. Agrawal &amp; Co.

Chartered Accountants

*A. Harshad*  
 Harshal Agrawal  
 (Partner)

Member No : 109438



Mumbai September 04, 2007

For and on behalf of the Board

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

*Vallabh N. Sheth*  
 Vallabh N. Sheth  
 (Director)



**PRECIOUS TRADING & INVESTMENTS LIMITED**

Profit and Loss Account for the year Ended 31st March,2007

	SCHEDULES	For Year Ended 31.03.2007 (Rupees)	For Year Ended 31.03.2006 (Rupees)
<b>INCOME</b>			
Other Income	1	12,459,064	-
		<b>12,459,064</b>	<b>-</b>
<b>EXPENSES</b>			
Staff Cost	2	93,684	57,221
Other Expenses	3	119,488	83,537
		<b>213,172</b>	<b>140,758</b>
Profit / (Loss) for the Year		12,245,892	(140,758)
Less : Provision for Tax			
- Current		2,204,000	-
- Deferred		71,481	(205,236)
Profit After Tax		9,970,411	64,478
Basic & Diluted Earnings per Equity Share		41.54	0.27

Report Junction.com

Significant accounting policies &amp; Notes to Accounts

1

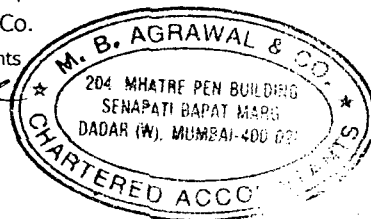
As per our attached report of even date

For M. B. Agrawal &amp; Co.

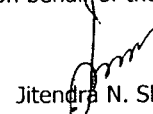
Chartered Accountants

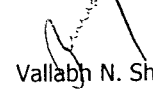
  
 Harshal Agrawal  
 (Partner)

Member No : 109438



For and on behalf of the Board

  
 Jitendra N. Sheth  
 (Director)

  
 Vallabh N. Sheth  
 (Director)

Mumbai September 04,2007