

**35<sup>TH</sup> ANNUAL REPORT  
2017 - 2018**

**PRECIOUS TRADING & INVESTMENTS LTD.**

## CORPORATE INFORMATION

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### Company Name

Precious Trading and Investments Limited

### Corporate Identity Number

L51900MH1983PLC029176

### Registered Office Address

Ground and 3<sup>rd</sup> Floor, Prius Infinity,  
Paranjape 'B' Scheme, Subhash Road,  
Vile Parle (East), Mumbai - 400057  
Telephone No. : 022-42602400

### Board of Directors

|                        |   |                        |
|------------------------|---|------------------------|
| Mr. Ashwin N. Sheth    | - | Managing Director      |
| Mr. Jitendra N. Sheth  | - | Non Executive Director |
| Mr. Vallabh N. Sheth   | - | Non Executive Director |
| Ms. Nalini R. Bajaria* | - | Independent Director   |
| Mr. Sharad N. Doshi    | - | Independent Director   |

### Key Managerial Personnels

|                      |   |                         |
|----------------------|---|-------------------------|
| Mr. Chintan A. Sheth | - | Chief Financial Officer |
| Mr. Ankush V. Bhoir  | - | Company Secretary       |

### Audit Committee

|                        |   |          |
|------------------------|---|----------|
| Mr. Sharad N. Doshi    | - | Chairman |
| Mr. Ashwin N. Sheth    | - | Member   |
| Ms. Nalini R. Bajaria* | - | Member   |

### Nomination and Remuneration Committee

|                        |   |          |
|------------------------|---|----------|
| Mr. Sharad N. Doshi    | - | Chairman |
| Mr. Ashwin N. Sheth    | - | Member   |
| Ms. Nalini R. Bajaria* | - | Member   |
| Mr. Vallabh N. Sheth   | - | Member   |

### Stakeholders Relationship Committee

|                        |   |          |
|------------------------|---|----------|
| Mr. Sharad N. Doshi    | - | Chairman |
| Mr. Ashwin N. Sheth    | - | Member   |
| Mr. Jitendra N. Sheth  | - | Member   |
| Ms. Nalini R. Bajaria* | - | Member   |

### Registrar and Share Transfer Agent

Bigshare Services Private Limited  
1<sup>st</sup> Floor, Bharat TIN works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East)  
Mumbai - 400 059

### Statutory Auditors

M/s. S. M. Gupta & Co., Chartered Accountants, Mumbai

### Internal Auditors

M/s. Rakchamps & Co., Chartered Accountants, Mumbai

### Secretarial Auditors

Ms. Khushboo Bakul Gopani, Practicing Company Secretary, Mumbai

### Bankers

HDFC Bank

\* Resigned on 15<sup>th</sup> March, 2018

**PRECIOUS TRADING AND INVESTMENTS LIMITED**  
**CIN: L51900MH1983PLC029176**

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**NOTICE**

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Notice is hereby given that the 35<sup>th</sup> Annual General Meeting (AGM) of the Members of Precious Trading and Investments Limited [CIN L51900MH1983PLC029176] will be held on Saturday, the 29<sup>th</sup> Day of September, 2018 at 2.00 p.m. at the registered office of the Company at 3<sup>rd</sup> Floor, Prius Infinity, Paranjape 'B' Scheme, Subhash Road, Vile Parle (East), Mumbai - 400057 to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Jitendra N. Sheth (DIN: 00002047), who retires by rotation and being eligible, offers himself for re-appointment;

**SPECIAL BUSINESS**

3. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions of the Companies Act, 2013, and Companies (Amendment) Act, 2017, read with the Companies (Meetings of Board and its Powers) Rules, 2014 and all other rules, regulations, notifications and circulars issued (including any statutory modifications, clarifications, exemptions or re-enactments thereof, from time to time) and the relevant provisions of the Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded for the grant of loans and/or issue Corporate Guarantee and/or provide security for an amount not exceeding Rs. 600,00,00,000/- (Rupees Six Hundred Crores only) in aggregate to entities in which directors are interested on such terms and conditions as may be mutually agreed upon;

**RESOLVED FURTHER THAT** the Board of Directors shall ensure that such transactions are in the ordinary course of business and not prejudicial to any of the parties as well as fair and reasonable to the business needs of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company and be and are hereby authorised to negotiate and decide from time to time, the terms and conditions, execute necessary documents, papers, agreements, etc. for the purpose of granting loan and/or issue Guarantee and/or provide security to entities in which directors are interested and to do all such acts, deeds and things and to give such directions as may be necessary or expedient in its absolute discretion deem fit and such decisions shall be final and binding on the Company and to settle any question, difficulty that may arise in this regard and to delegate all or any of these powers to any Committee of Directors or any other Officer in this regard.”

By order of Board of Directors  
For Precious Trading and Investments Limited

**Place** : Mumbai  
**Date** : 4<sup>th</sup> September, 2018

**Ashwin N. Sheth**  
**Chairman**  
**DIN: 00002053**

**Registered Office:**

Ground and 3<sup>rd</sup> Floor, Prius Infinity,  
Paranjape 'B' Scheme, Subhash Road,  
Vile Parle (East), Mumbai - 400057

**CIN:** L51900MH1983PLC029176

**Website:** [www.ptil.co.in](http://www.ptil.co.in)

**E-mail ID:** [cs@ptil.co.in](mailto:cs@ptil.co.in)

**NOTES**

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1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Members/Proxies should fill the Attendance Slip for attending the meeting. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit the duly filled in Attendance Slip at the registration counter to attend the AGM.
5. Corporate Members intending to attend the AGM through their authorised representatives are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the AGM.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting to facilitate identification of membership at the meeting. Members are requested to bring their attendance slip along with their copy of the annual report to the meeting.
8. Members are requested to intimate Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agent (RTA) of the Company, having office at Bharat TIN works, 1<sup>st</sup> floor, Opp. Vasant Oasis, Makwana Road, Marol Naka, Andheri (East) Mumbai - 400059 immediately of any change in their address in respect of equity shares held in physical mode and to their DPs in respect of equity shares held in dematerialized form.
9. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the AGM.
10. Members desirous of asking any questions at the 35<sup>th</sup> AGM are requested to send in their questions so as to reach the Company's Registered Office at least 7 days before the date of the AGM, so that the same can be suitably replied to.
11. The Register of Members and the Share Transfer Book of the Company will remain closed from Monday, 24<sup>th</sup> September, 2018 to Saturday, 29<sup>th</sup> September, 2018 (Both days inclusive) for the purpose of the AGM. Notice is being sent to all the Members, whose names appear in the Register of Members as on Friday, 31<sup>st</sup> August, 2018.

12. Members holding shares in physical form may kindly register their e-mail IDs with the RTA by sending an e-mail at [investor@bigshareonline.com](mailto:investor@bigshareonline.com) and Members holding shares in demat form, who have not registered their e-mail address so far, are requested to register their e-mail address with their respective Depository Participants for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
13. The Notice along with Annual Report will be sent electronically indicating the process and manner of Remote E-voting to the members whose e-mail addresses are registered with the depository participants/Company. The physical copy of Notice along with Annual Report will be sent to those members whose email addresses are not registered with the depository participants/RTA/Company indicating the process and manner of Remote E-voting.
14. SEBI vide its circular dated 20<sup>th</sup> April, 2018 has made it mandatory for the Company to collect copy of Income Tax Permanent Account Number (PAN) and bank account details of all security holders holding securities in physical form. Accordingly, all Shareholders holding shares in physical form are requested to submit duly attested documents to RTA.
15. SEBI vide its notification dated 8<sup>th</sup> June, 2018 has mandated that transfer of securities would be carried out in dematerialised form only w.e.f. 5<sup>th</sup> December, 2018. Accordingly, all Shareholders holding shares in physical form to avail various benefits of dematerialization are advised to dematerialise shares held by them in physical form. The procedure of dematerialization of physical shares is placed on website of the Company at [www.ptil.co.in](http://www.ptil.co.in).
16. As per the provisions of Section 72 of the Act, and Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH. 13 with Registrar and Share Transfer Agent i.e. Bigshare Services Private Limited. In respect of shares held in dematerialized form, the nomination may be filed with the respective Depository Participants.
17. The details of the Director seeking appointment/re-appointment as per the provisions of the Section 152 of the Companies Act, 2013 and Regulation 36 (3) of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 and in compliance with the Secretarial Standards (SS-2) issued by the ICSI is annexed alongwith the notice and forms a part of the notice.
18. The requirement to place the matter relating to the appointment of Statutory Auditors i.e. M/s. S. M. Gupta & Co., Chartered Accountants, for ratification by members at every Annual General Meeting is done away with vide notification dated 7<sup>th</sup> May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 29<sup>th</sup> September, 2017.
19. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, with respect to item No. 3 of the notice set out above is annexed hereto.
20. In compliance with the Rule 20 of the Companies (Management and Administration) Rules, 2014, and Secretarial Standards issued by the Institute of Company Secretaries of India, the Company has considered Saturday, 22<sup>nd</sup> September, 2018 to determine the eligibility of Members to vote by electronic means or through physical ballot at the AGM (cut-off date). The persons whose names appear on the Register of Members/List of Beneficial Owners as on the cut-off date would be entitled to vote through electronic means or through physical ballot at the AGM.
21. **E-voting**

In terms of Section 108 of the Companies Act read with the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements, 2015, the Company is providing the facility to its Members, being eligible to vote, to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice. Members can cast their votes on electronic voting system from any place other than the venue of the meeting (remote e voting). The persons who have become the Members of the Company after the dispatch of the Notice and

Annual Report and their names appear in the Register of Members/List of Beneficial owners as on the cut-off date may contact the Registrar and Share Transfer Agent to obtain the Notice of AGM and the login details for casting vote electronically or may cast their vote through physical ballot at the AGM. If a Member is already registered with CDSL e-voting Platform then he can use his existing login details for casting the vote through remote e-voting. Details of the process and manner of remote e-voting along with the login details are being sent to all the Members along with the Notice.

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide remote e-voting facilities and for security and enabling the members to cast their vote in a secure manner.

The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting facility will be available during the following Period:

**Commencement of remote e-voting : From 9.00 a.m. (IST) on Wednesday, 26<sup>th</sup> September, 2018**  
**Conclusion of remote e-voting : At 5.00 p.m. (IST) on Friday, 28<sup>th</sup> September, 2018**

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.

22. After the items of the notice have been discussed, the Chairman will order poll in respect of the items. Poll will be conducted and supervised under the Scrutinizer appointed for remote e-voting and poll. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date and who have not cast their vote by remote e-voting, and being present at the AGM either personally or through proxy, only shall be entitled to vote at the AGM. After conclusion of the poll, the Chairman may declare the meeting as closed. The results of the poll aggregated with the results of remote e-voting will be announced by the Company on its website at \_\_\_\_\_ within 48 hours of conclusion of the AGM and also inform to the stock exchange where the securities of the Company is listed.

**The instructions for shareholders voting electronically are as under:**

- (a) The voting period begins at 9.00 a.m. (IST) on Wednesday, 26<sup>th</sup> September, 2018 and ends at 5.00 p.m. (IST) on Friday, 28<sup>th</sup> September, 2018. During this period, shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date 22<sup>nd</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (b) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (c) Click on Shareholders
- (d) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (e) Next enter the Image Verification as displayed and Click on Login.
- (f) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(g) If you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |   |
|---|---|
| <b>PAN</b>  | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| <b>Dividend Bank Details OR Date of Birth (DOB)</b>               | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>  |

(h) After entering these details appropriately, click on "SUBMIT" tab.

(i) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(k) Click on the EVSN for the relevant Company Name i.e. Precious Trading and Investments Limited on which you choose to vote.

(l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(q) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(r) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(s) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(t) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. **(a)** to sl. no. **(t)** above to cast vote.
- (B) The voting period begins at 9.00 a.m (IST) on Wednesday, 26<sup>th</sup> September, 2018 and ends at 5.00 p.m. (IST) on Friday, 28<sup>th</sup> September, 2018. During this period, shareholders’ of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date 22<sup>nd</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
23. Remote e-voting shall not be allowed beyond 5.00 p.m. on 28<sup>th</sup> September, 2018. During the remote e-voting period, Members of the Company holding shares either in physical form or in dematerialized form, as on cut-off date, may cast their vote electronically. Once the vote on a resolution is cast by the Members, the Members shall not be allowed to change it subsequently.
24. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on cut-off date.
25. Please note that the Members who have not exercised their right to vote by remote e-voting shall be entitled vote by way of ballot at the venue of the AGM. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.
26. The Board of Directors has appointed Ms. Khushboo Gopani, Company Secretaries (Membership No. 29194) to act as a scrutinizer for conducting the electronic voting and physical ballot voting process in a fair and transparent manner.
27. The Scrutinizer, after scrutinizing the votes cast at the AGM and through remote e-voting make a consolidated scrutinizers report and submit the report to the Chairman or Managing Director of the Company. The results declared alongwith the Scrutinizer’s Report will be available on the website of the Company at [www.ptil.co.in](http://www.ptil.co.in) and simultaneously be communicated to the BSE Limited (Stock Exchange) where the securities of the Company is listed.



**PRECIOUS TRADING AND INVESTMENTS LIMITED**  
**CIN: L51900MH1983PLC029176**

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28. The Results of e-voting and poll voting at the meeting on resolutions shall be aggregated and declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.

29. Route map showing directions to reach venue of the AGM is annexed at the end of the Annual Report.

By Order of Board of Directors  
For **Precious Trading and Investments Limited**

**Place** : Mumbai  
**Date** : 4<sup>th</sup> September, 2018

Ashwin N. Sheth  
**Chairman**  
**DIN:** 00002053

**Registered Office:**

Ground and 3<sup>rd</sup> Floor, Prius Infinity,  
Paranjape 'B' Scheme, Subhash Road,  
Vile Parle (East), Mumbai - 400057

**CIN:** L51900MH1983PLC029176

**Website:** [www.ptil.co.in](http://www.ptil.co.in)

**E-mail ID:** [cs@ptil.co.in](mailto:cs@ptil.co.in)

**PRECIOUS TRADING AND INVESTMENTS LIMITED**  
**CIN: L51900MH1983PLC029176**

**DETAILS OF THE DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AS PER THE PROVISIONS OF THE SECTION 152 OF THE COMPANIES ACT, 2013 AND REGULATION 36(3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENT) REGULATIONS, 2015 AND IN COMPLIANCE WITH THE SECRETARIAL STANDARDS - II (SS-2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

| Particulars   | Details   |
|---|---|
| Name of the Director  | Mr. Jitendra N. Sheth   |
| DIN   | 00002047  |
| Age   | 55 Years  |
| Nationality   | Indian  |
| Qualification   | B. Com  |
| Experience  | 27 years  |
| Terms and Conditions of appointment or re-appointment alongwith the details of the remuneration sought to be paid | To be re-appointed as a Non-Executive Director without any remuneration.  |
| Remuneration last drawn   | NIL   |
| Date of first appointment on Board  | 28/08/2002  |
| Shareholding in the Company   | NIL   |
| Inter-se Relationship with other Directors, Manager and KMP   | Brother of Mr. Ashwin Sheth & Mr. Vallabh Sheth   |
| Number of meetings of the Board attended during the year  | Nine (9)  |
| Whether Attended last AGM   | Yes   |
| Directorship held in other companies  | <ol style="list-style-type: none"> <li>1. Sheth Developers &amp; Realtors (India) Ltd.</li> <li>2. Transcon - Sheth Creators Pvt. Ltd.</li> <li>3. Sheth Realcon Ventures Pvt. Ltd.</li> <li>4. Neepa Real Estates Pvt. Ltd.</li> <li>5. Sheth Developers Pvt. Ltd.</li> <li>6. Sheth Infrastructure Pvt. Ltd.</li> <li>7. Valencia and Mishal Ventures Pvt. Ltd.</li> <li>8. Sheth Creators and Sun-vision Pvt. Ltd.</li> <li>9. Laxmi Prabha Impex and Investments Pvt. Ltd.</li> <li>10. Sheth Heights Pvt. Ltd.</li> <li>11. Sheth Creators and Harileela Projects Pvt. Ltd.</li> <li>12. Sheth Creators and Constructors Pvt. Ltd.</li> <li>13. Sheth Realtors and Holdings Pvt. Ltd.</li> <li>14. Sheth Estate (International) Limited</li> </ol> |
| Membership/Chairmanship of committees of other committees of the Board  | <p><b>Chairmanship</b> : NIL</p> <p><b>Membership</b> :</p> <ol style="list-style-type: none"> <li>1. CSR Committee -<br/>Sheth Developers Pvt. Ltd.</li> <li>2. Audit Committee -<br/>Sheth Creators and Constructors Pvt. Ltd.</li> <li>3. Stakeholders' Relationship Committee -<br/>Sheth Creators and Constructors Pvt. Ltd.</li> <li>4. Nomination &amp; Remuneration Committee -<br/>Sheth Creators and Constructors Pvt. Ltd.</li> </ol>  |

**PRECIOUS TRADING AND INVESTMENTS LIMITED**  
**CIN: L51900MH1983PLC029176**

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

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Item No 3

In view of the recent amendments to Section 185 of the Companies Act, 2013 vide the Companies (Amendment) Act, 2017, no Company shall give any loan or guarantee or provide any security to any entity i.e. company or body corporate in which the Director of the Company is interested without the prior approval of the Shareholders by means of a Special Resolution.

Accordingly it is proposed to pass an enabling resolution authorizing the Board to give loan or guarantee or provide security for an aggregate amount not exceeding a limit of Rs. 600 Crores to Subsidiary or associate company and/or the group companies, in which Director of the Company is interested, for funding requirements for the growth of the those companies.

Hence, your approval is sought in terms of Section 185 and all other applicable provisions of the Companies Act, 2013 and rules made thereunder.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in anyway, concerned or interested, financially or otherwise, in the aforesaid Special Resolution set out at Item No. 3 of this Notice.

By Order of Board of Directors  
For **Precious Trading and Investments Limited**

**Place** : Mumbai  
**Date** : 4<sup>th</sup> September, 2018

Ashwin N. Sheth  
**Chairman**  
**DIN:** 00002053

**Registered Office:**  
Ground and 3<sup>rd</sup> Floor, Prius Infinity,  
Paranjape 'B' Scheme, Subhash Road,  
Vile Parle (East), Mumbai - 400057  
**CIN:** L51900MH1983PLC029176  
**Website:** [www.ptil.co.in](http://www.ptil.co.in)  
**E-mail ID:** [cs@ptil.co.in](mailto:cs@ptil.co.in)

## DIRECTORS' REPORT

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Dear Members,

Your Directors have pleasure in presenting the Directors' Report on the business and operations of Precious Trading and Investments Limited along with the audited financial statements for the year ended 31<sup>st</sup> March, 2018.

### 1. FINANCIAL HIGHLIGHTS

Certain key aspects of your Company's performance during the financial year ended 31<sup>st</sup> March, 2018, as compared to the previous financial year are summarized below:

(Amount in lakhs)

| Particulars                                 | Current Year<br>2017-18 | Previous year<br>2016-17 |
|---|-------------------------|--------------------------|
| Revenue from Operations                     | -                       | -                        |
| Other Income                                | -                       | -                        |
| <b>Total Income</b>                         | -                       | -                        |
| Less: Other expenses                        | 5.49                    | 5.57                     |
| <b>EBITDA</b>                               | <b>(5.49)</b>           | <b>(5.57)</b>            |
| Less: <u>Tax Expenses</u>                   |                         |                          |
| Current Tax                                 | -                       | -                        |
| Deferred Tax                                | -                       | -                        |
| <b>Profit/(Loss) after Tax for the year</b> | <b>(5.49)</b>           | <b>(5.57)</b>            |

### 2. DIVIDEND

In view of loss suffered by your Company during the year, the Directors show their inability to declare dividend for the year 2017-18.

### 3. STATE OF AFFAIRS OF THE COMPANY

During the year under review, the Company was unable to do any business activities due to lack of resources.

### 4. TRANSFER TO RESERVES

The Board of Directors has not recommended any amount to be transfer to the reserves.

### 5. SHARE CAPITAL AND CHANGES THEREIN

There was no change in the share capital of the Company during the year under review.

### 6. CHANGE IN THE NATURE OF BUSINESS

During the year under review there is no change in the nature of the business of the Company.

### 7. EXTRACTS OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2015, the extracts of the Annual Return for the year ended 31<sup>st</sup> March, 2018 forms part of this report as **Annexure # 1**.

## 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the Articles of Association and the provisions of the Section 152(6)(e) of Companies Act, 2013, Mr. Jitendra N. Sheth (DIN:00002047), Non-Executive Director of the Company, being director liable to retire by rotation shall retire at the ensuing Annual General Meeting and being eligible for reappointment, offers himself for re-appointment.

During the year under review, Ms. Nalini Bajaria has resigned from the directorship of the Company with effect from 15<sup>th</sup> March, 2018. Ms. Daksha Pandya, who was appointed as an Independent Director on the Board with effect from 30<sup>th</sup> May, 2018, will be ceased to be a Director of the Company with effect from the date of ensuing Annual General Meeting.

## 9. MEETINGS OF THE BOARD AND COMMITTEES OF DIRECTORS

### A. Board Meeting

The Board of Directors met eight times during the financial year 2017-18 at Mumbai viz. 29<sup>th</sup> May, 2017, 17<sup>th</sup> June, 2017, 13<sup>th</sup> July, 2017, 4<sup>th</sup> September, 2017, 14<sup>th</sup> September, 2017, 14<sup>th</sup> December, 2017, 14<sup>th</sup> February, 2018 and 15<sup>th</sup> March, 2018.

Attendance of Board is as follows:

| Sr. No. | Name of Director       | Category               | No. of Meetings held | No. of Meetings Attended |
|---------|------------------------|------------------------|----------------------|--------------------------|
| 1.      | Mr. Ashwin N. Sheth    | Managing Director      | 8                    | 8                        |
| 2.      | Mr. Jitendra N. Sheth  | Non-Executive Director | 8                    | 8                        |
| 3.      | Mr. Vallabh N. Sheth   | Non-Executive Director | 8                    | 8                        |
| 4.      | Ms. Nalini R. Bajaria* | Independent Director   | 8                    | 8                        |
| 5.      | Mr. Sharad N. Doshi    | Independent Director   | 8                    | 8                        |

\*Resigned on 15<sup>th</sup> March, 2018

None of the Directors is a member of more than ten Board-level committees or Chairman of more than five such committees as required under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further none of the Independent Directors are independent director in more than seven listed entities and none of the whole time directors are independent directors in more than three listed entities as required under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### B. Audit Committee Meetings

During the financial year, the composition of the Audit Committee was in alignment with the provisions of the Section 177 of Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has an Audit Committee comprising of the following Directors:

| Name                   | Designation | Category                             |
|------------------------|-------------|--------------------------------------|
| Mr. Sharad N. Doshi    | Chairman    | Non Executive & Independent Director |
| Mr. Ashwin N. Sheth    | Member      | Executive Director                   |
| Ms. Nalini R. Bajaria* | Member      | Non Executive & Independent Director |

\*Resigned on 15<sup>th</sup> March, 2018

### No. of Meetings

The members of the Audit Committee met six times during the financial year 2017-18 at Mumbai viz. 29<sup>th</sup> May, 2017, 13<sup>th</sup> July, 2017, 4<sup>th</sup> September, 2017, 14<sup>th</sup> September, 2017, 14<sup>th</sup> December, 2017, 14<sup>th</sup> February, 2018 and the maximum time gap between two meetings did not exceed one hundred and twenty days.

### Attendance of Committee is as follows

| Sr. No. | Name of the Director   | No. of Meetings Held | No. of Meetings Attended |
|---------|------------------------|----------------------|--------------------------|
| 1.      | Mr. Sharad N. Doshi    | 6                    | 6                        |
| 2.      | Mr. Ashwin N. Sheth    | 6                    | 6                        |
| 3.      | Ms. Nalini R. Bajaria* | 6                    | 6                        |

\*Resigned on 15<sup>th</sup> March, 2018

### C. Nomination, Remuneration and Compensation Committee Meetings

The Company has a Nomination, Remuneration and Compensation Committee comprising of the following Directors:

| Name                   | Designation | Category                             |
|------------------------|-------------|--------------------------------------|
| Mr. Sharad N. Doshi    | Chairman    | Non Executive & Independent Director |
| Mr. Ashwin N. Sheth    | Member      | Executive Director                   |
| Mr. Vallabh N. Sheth   | Member      | Non-Executive Director               |
| Ms. Nalini R. Bajaria* | Member      | Non Executive & Independent Director |

\*Resigned w.e.f. 15<sup>th</sup> March, 2018

### No. of Meetings

The members of the Nomination & Remuneration Committee met once during the financial year 2017-18 at Mumbai viz. 14<sup>th</sup> February, 2018.

### Attendance of Committee is as follows

| Sr. No. | Name of the Director   | No. of Meetings Held | No. of Meetings Attended |
|---------|------------------------|----------------------|--------------------------|
| 1.      | Mr. Sharad N. Doshi    | 1                    | 1                        |
| 2.      | Mr. Ashwin N. Sheth    | 1                    | 1                        |
| 3.      | Ms. Nalini R. Bajaria* | 1                    | 1                        |
| 4.      | Mr. Vallabh N. Sheth   | 1                    | 1                        |

\*Resigned w.e.f. 15<sup>th</sup> March, 2018

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013 that:

- 1) In the preparation of the annual accounts for financial year ended 31<sup>st</sup> March, 2018, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.

- 2) The Directors 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 the end of the financial year and on the Loss for the year under review.
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 2013 Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) The Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2018 on a “going concern” basis.
- 5) The Directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and have been operating efficiently.
- 6) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **11. DECLARATION BY INDEPENDENT DIRECTORS**

Pursuant to the provisions of sub-section 7 of Section 149 of the Companies Act, 2013, the Company has received individual declarations from all the Independent Directors confirming that they fulfill the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

#### **12. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The details of familiarization programme to Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the <http://www.ptil.co.in>

#### **13. ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD**

Pursuant to provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees and that of Chairman.

In a separate meeting of Independent Directors, performance of Non Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non executive directors. Performance evaluation of independent Directors was done by the entire Board, excluding the independent Directors being evaluated.

#### **14. NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNELS (KMPS) AND SENIOR MANAGEMENT**

The Board has formulated the Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMPS) and Senior Management in terms of the provisions of the Companies Act, 2013 is appended as **Annexure # 2** to this Report. The said Policy outlines the appointment criteria and qualifications, the term/tenure of the Directors on the Board of the Company and the matters related to remuneration of the Directors, KMPS & Senior Management.

#### **15. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

## **16. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Your Company has in place the Sexual Harassment Policy for Prevention of Sexual Harassment in line with the 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act & Rules, 2013. To create a robust framework for this policy, dissemination, awareness, creation and periodic reiteration among all executives is being done. During the year, the Company has not received any complaints.

## **17. LOANS, GUARANTEE OR INVESTMENTS**

During the period under review, the Company has neither granted any loan to any person or body corporate nor has provided any guarantee or security in connection with a loan to any person or body corporate.

Further, the Company has not made any investments/acquisition in terms of Section 186 of the Companies Act, 2013 during the financial year 2017-18.

## **18. CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES**

During the year, the Company has not entered into any contract/arrangement with related parties which are specified under the provisions of the Section 188(1) of the Companies Act, 2013.

For details of related parties, your Directors draw attention to Note no. 16 of the standalone financial statement which set out 'Related Party Disclosures'.

## **19. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between after 31<sup>st</sup> March, 2018 and the date of this report other than those disclosed in this report.

## **20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

### **Conservation of Energy**

Your Company has taken necessary steps and initiative in respect of conservation of energy to possible extent to conserve the resources as required under Section 134(3)(m) of the Companies Act, 2013 and rules framed thereunder.

### **Technology Absorption**

Your Company is not engaged in any manufacturing activity, the particulars of technology absorption as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are not applicable.

### **Foreign Exchange earnings and Outgo**

During the year under review, the Company had not earned any foreign exchange nor incurred any outflows in foreign exchange.



## **21. STATEMENT INDICATING DEVELOPMENT & IMPLEMENTATION OF THE RISK MANAGEMENT POLICY**

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing/mitigating the same. Your Company has institutionalized the policy/process for identifying, minimizing and mitigating risk which is periodically reviewed.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The common risks inter alia are: Regulations, Competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

## **22. CORPORATE SOCIAL RESPONSIBILITY POLICY**

During the year under review, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to the Company.

## **23. REPORT ON PERFORMANCE OF THE SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES**

### Associate Company

The Gross revenue of Sheth Developers & Realtors (India) Limited for Financial Year 2017-18 stood at Rs. 16224.18 Lakhs (Previous Year: Rs. 15201.61 Lakhs) and has earned profit of Rs. 3418.40 Lakhs (Previous Year profit of Rs. 2230.38 Lakhs)

The Company does not have any subsidiary and joint venture Company.

As required under Section 129 of the Companies Act, 2013 the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards and forms part of the Report. A statement containing the salient features of the Financial Statements of Subsidiaries, Joint Ventures and Associate Companies in Form AOC-1 as required under Rule 5 of the Companies (Accounts) Rules, 2014 form part of the notes to the financial statements.

## **24. DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE COMPANIES ACT 2013**

The Company has not accepted Public Deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet within the purview of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2015.

## **25. INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY**

Your Company has an internal financial control system commensurate with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. The Audit Committee has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. The Audit Committee has a process for timely check for compliance with the operating systems, accounting procedures and policies. Major risks identified by the businesses and functions are systematically addressed through mitigating action on continuing basis.

## 26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company.

## 27. AUDITORS AND AUDITORS' REPORT

### A. Statutory Auditors

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. S. M. Gupta & Co., Chartered Accountants, Statutory Auditors, in their report.

The Auditors have in their audit report made comment with respect to compliance of Section 185 and 186. The Company has relied on the opinion of the expert stating Section 185 and 186 have to be read harmoniously. The Directors have no further comments on the same as report of the auditors is self explanatory.

### B. Internal Auditors

M/s. Rakchamps & Co., Chartered Accountants, performs the duties of Internal Auditors of the Company and their report is reviewed by the audit committee from time to time.

### C. Secretarial Auditor

The Board of Directors of the Company has appointed Ms. Khushboo Bakul Gopani, Practicing Company Secretaries, Mumbai, (ICSI Membership No. 29194 and Certificate of Practice No. 10560) to conduct the Secretarial Audit as required under provisions of Section 204 of the Companies Act, 2013, the report in respect of the Secretarial Audit carried out by Ms. Khushboo Bakul Gopani, Practicing Company Secretary, in Form MR-3 for the Financial Year 2017-18 forms part to this report is appended as **Annexure # 3**. The said report does not contain any adverse observation or qualifications, or disclaimers or reservations requiring explanation or comments from Board under Section 134(3) of the Companies Act, 2013.

### D. Cost Auditors

The Cost audit of the Company has not been conducted for the financial year 2017-18 as provisions of Section 148 of the Companies Act, 2013 are not applicable on the Company.

## 28. INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Statutory and Secretarial Auditors under Section 143(12) of the Companies Act, 2013.

## 29. ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company promotes ethical behaviour in the business organisation and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

The Company has a Whistle Blower Policy in line with the provisions of the Section 177 of the Companies Act, 2013. This policy establishes a vigil mechanism for directors and employees to report their genuine concerns actual or suspected fraud or violation of the Company's code of conduct.

The said mechanism also provides for adequate safeguards against victimisation of the persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee. We confirm that during the financial year 2017-2018, no employee of the Company was denied access to the Audit Committee.

The said Whistle Blower Policy is available on the website of the Company at <http://ptil.co.in/policiesandcode/vigilmecanismpolicy.pdf>.

### **30. CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 15(2)(a) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the compliance with the provisions of Regulations 27 of the listing regulations is not mandatory for the time being, in respect of the following class of the Companies:

- a. Listed Companies having paid up equity share capital not exceeding Rs. 10 Crores and Networth not exceeding Rs. 25 Crores as on the last day of the previous financial year;

Provided that where the provisions of above regulations becomes applicable to a company at a later date, such Company shall comply with the requirements of Regulation 27 within six months from the date of which the provisions become applicable to the company.

- b. Listed entities whose specified securities are listed on the SME Exchange.

Our Company is within the ambit and exempted on the basis of the conditions prescribed in the regulation 15(2)(a) and therefore compliances with the Regulation 27 of the Listing Regulations are not applicable to the Company for the time being.

As a consequence, Corporate Governance Report under Regulations 27 of the Listing Regulations does not form part of the Annual Report for the Financial Year 2017-18.

### **31. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulations 34(2) of the Listing Regulations is Appended as **Annexure # 4**.

### **32. PARTICULARS OF REMUNERATION**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable, as there were no Directors, Key Managerial Personnels and/or employees of the Company for which the information is required to be disclosed under the provisions of Section 197 of the Companies Act, 2013 read with Rules of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Company has not paid any remuneration to any of its Directors. None of the Director takes sitting fee for attending the meetings of the Board and Committees of the Board.

### **33. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT**

The Company does not have any shares lying in its Demat Suspense Account/Unclaimed Suspense Account.

#### **34. ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation and sincere thanks to the State Governments, Government agencies, Banks and Financial Institutions, shareholders, and other related organizations, who through their continued support and co-operation have helped, as partners in your Company's progress. Your Directors, also acknowledge the hard work, dedication and commitment of the employees.

For and on behalf of Board of Directors  
For

**ANNEXURE # 1****FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31<sup>st</sup> March, 2018 of Precious Trading and Investments Limited [Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

|  |   |
|--|---|
| CIN  | L51900MH1983PLC029176   |
| Registration Date  | 24 <sup>th</sup> January, 1983  |
| Name of the Company  | Precious Trading and Investments Limited  |
| Category / Sub-Category of the Company   | Company Limited by Shares<br>Indian Non-Government Company  |
| Address of the Registered Office and contact details                           | Ground and 3 <sup>rd</sup> Floor, Prius Infinity, Paranjape 'B' Scheme, Subhash Road, Vile Parle (East), Mumbai - 400057<br>Tel : 022-42602400/42933400<br>e-mail ID : <a href="mailto:cs@ptil.co.in">cs@ptil.co.in</a>   |
| Whether listed company   | Yes   |
| Name, Address and contact details of Registrar & Transfer Agents (RTA), if any | Bigshare Services Private Limited,<br>1 <sup>st</sup> Floor, Bharat TIN works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East)<br>Mumbai - 400 059<br>Tel : 022 - 40430200<br>E-mail ID: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated: NIL

| S. No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| -      | There was no business activity during the year |                                 |                                    |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| S. No. | Name and Address of the company   | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|--------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1.     | <b>Sheth Developers Private Limited</b><br>Ground and 3 <sup>rd</sup> Floor, Prius Infinity, Paranjape 'B' Scheme, Vile Parle (East), Mumbai - 400057             | U45200MH1993PTC070335 | Holding Company                | 74.99            | 2(46)              |
| 2.     | <b>Sheth Developers &amp; Realtors (India) Ltd.</b><br>Ground and 3 <sup>rd</sup> Floor, Prius Infinity, Paranjape 'B' Scheme, Vile Parle (East), Mumbai - 400057 | U29130MH1993PLC071231 | Associate Company              | 26.01            | 2(6)               |

#### IV. SHARE HOLDING PATTERN

##### (i) Category-wise Share Holding

| Category of Shareholders   | No. of Shares held at the beginning of the year |              |               |              | No. of Shares held at the end of the year |              |               |              | % Change during the year |
|--|---|--------------|---------------|--------------|---|--------------|---------------|--------------|--------------------------|
|  | Demat   | Physical     | Total         | % of Total   | Demat                                     | Physical     | Total         | % of Total   |                          |
| <b>A) Promoters</b>  |   |              |               |              |   |              |               |              |                          |
| <b>1) Indian</b>   |   |              |               |              |   |              |               |              |                          |
| a) Individual/ HUF   | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| b) Central Govt.   | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| c) State Govt(s)   | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| d) Bodies Corporates   | 179970  | -            | 179970        | 74.99        | 179970                                    | -            | 179970        | 74.99        | -                        |
| e) Banks/FI  | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| f) Any Other   | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| <b>Sub-total(A)(1)</b>   | <b>179970</b>                                   | <b>-</b>     | <b>179970</b> | <b>74.99</b> | <b>179970</b>                             | <b>-</b>     | <b>179970</b> | <b>74.99</b> | <b>-</b>                 |
| <b>2) Foreign</b>  |   |              |               |              |   |              |               |              |                          |
| a) NRIs-Individuals  | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| b) Other Individuals   | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| c) Bodies Corporates   | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| d) Banks / FI  | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| e) Any Other   | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| <b>Sub-total(A)(2)</b>   | <b>-</b>  | <b>-</b>     | <b>-</b>      | <b>-</b>     | <b>-</b>                                  | <b>-</b>     | <b>-</b>      | <b>-</b>     | <b>-</b>                 |
| <b>Total shareholding of Promoter(A)=(A)(1)+(A)(2)</b>                           | <b>179970</b>                                   | <b>-</b>     | <b>179970</b> | <b>74.99</b> | <b>179970</b>                             | <b>-</b>     | <b>179970</b> | <b>74.99</b> | <b>-</b>                 |
| <b>B) Public Shareholding</b>  |   |              |               |              |   |              |               |              |                          |
| <b>1) Institutions</b>   |   |              |               |              |   |              |               |              |                          |
| a) Mutual Funds  | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| b) Banks / FI  | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| c) Central Govt.   | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| d) State Govt(s)   | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| e) Venture Capital Funds   | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| f) Insurance Co.s  | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| g) FI's  | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| h) Foreign Venture Capital Funds   | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| i) Others (specify)  | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| <b>Sub-total (B)(1)</b>  | <b>-</b>  | <b>-</b>     | <b>-</b>      | <b>-</b>     | <b>-</b>                                  | <b>-</b>     | <b>-</b>      | <b>-</b>     | <b>-</b>                 |
| <b>2) Non-Institutions</b>   |   |              |               |              |   |              |               |              |                          |
| a) Bodies Corporates   |   |              |               |              |   |              |               |              |                          |
| i) Indian  | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| ii) Overseas   | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| b) Individuals   |   |              |               |              |   |              |               |              |                          |
| i) Individuals shareholders holding nominal share capital upto Rs. 1 lac         | -   | 60030        | 60030         | 25.01        | -   | 60030        | 60030         | 25.01        | -                        |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lac | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| c) Others (specify)<br>Trusts Custodians / Clearing member/NRIs                  | -   | -            | -             | -            | -   | -            | -             | -            | -                        |
| <b>Sub-total (B)(2) :</b>  | <b>-</b>  | <b>60030</b> | <b>60030</b>  | <b>25.01</b> | <b>-</b>                                  | <b>60030</b> | <b>60030</b>  | <b>25.01</b> | <b>-</b>                 |
| <b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>                             | <b>-</b>  | <b>60030</b> | <b>60030</b>  | <b>25.01</b> | <b>-</b>                                  | <b>60030</b> | <b>60030</b>  | <b>25.01</b> | <b>-</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | <b>-</b>  | <b>-</b>     | <b>-</b>      | <b>-</b>     | <b>-</b>                                  | <b>-</b>     | <b>-</b>      | <b>-</b>     | <b>-</b>                 |
| <b>Grand Total (A+B+C)</b>   | <b>179970</b>                                   | <b>60030</b> | <b>240000</b> | <b>100</b>   | <b>179970</b>                             | <b>60030</b> | <b>240000</b> | <b>100</b>   | <b>-</b>                 |

**(ii) Shareholding of Promoters**

| S. No. | Shareholder's Name         | Shareholding at the beginning of the year |                                  |  | Share holding at the end of the year |                                  |  | % change in share holding during the year |
|--------|----------------------------|---|----------------------------------|--|--------------------------------------|----------------------------------|--|---|
|        |                            | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                        | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |   |
| 1.     | Sheth Developers Pvt. Ltd. | 179970                                    | 74.99                            | -  | 179970                               | 74.99                            | -  | -   |
|        |                            |   |                                  |  |                                      |                                  |  |   |
|        | <b>Total</b>               | <b>179970</b>                             | <b>74.99</b>                     | <b>-</b>   | <b>179970</b>                        | <b>74.99</b>                     | <b>-</b>   | <b>-</b>                                  |

**(iii) Change in Promoters' Shareholding**

| S. No. | Particulars  | Shareholding at the beginning of the year |                              | Cumulative Shareholding during the year |                              |
|--------|--|---|------------------------------|---|------------------------------|
|        |  | No. of shares                             | % of total shares of the Co. | No. of shares                           | % of total shares of the Co. |
| 1.     | At the beginning of the year   | No changes during the year                |                              |   |                              |
| 2.     | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat /equity etc.) | No changes during the year                |                              |   |                              |
| 3.     | At the end of the Year   | No changes during the year                |                              |   |                              |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):**

| S. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  |
|--------|-------------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|
|        |                                     | No. of shares                             | % of total shares of the company | No. of shares                       | % of total shares of the company |
| 1.     | Musa Mohmadd Meman                  | 1940                                      | 0.81                             | 1940                                | 0.81                             |
| 2.     | Hemendra M. Sharda                  | 1500                                      | 0.63                             | 1500                                | 0.63                             |
| 3.     | Nilesh K. Kothari                   | 1440                                      | 0.60                             | 1440                                | 0.60                             |
| 4.     | Pushpa M. Kothari                   | 1400                                      | 0.58                             | 1400                                | 0.58                             |
| 5.     | Mukesh Kothari                      | 1300                                      | 0.54                             | 1300                                | 0.54                             |
| 6.     | Somaji Lalaji Chabbaiya             | 1280                                      | 0.53                             | 1280                                | 0.53                             |
| 7.     | Anita N. Kothari                    | 1250                                      | 0.52                             | 1250                                | 0.52                             |
| 8.     | Rajesh J. Parekh                    | 1240                                      | 0.52                             | 1240                                | 0.52                             |
| 9.     | Jayendra Govind Suthar              | 1200                                      | 0.50                             | 1200                                | 0.50                             |
| 10.    | Rekha M. Sharda                     | 1200                                      | 0.50                             | 1200                                | 0.50                             |

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

| S. No.                              | For Each of the Directors and KMP | Shareholding at the beginning of the year |                              | Datewise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/swe at/equity etc.) | Shareholding at the end of the year |                              |
|-------------------------------------|-----------------------------------|---|------------------------------|--|-------------------------------------|------------------------------|
|                                     |                                   | No. of shares                             | % of total shares of the Co. |  | No. of shares                       | % of total shares of the Co. |
| <b>(A) Directors</b>                |                                   |   |                              |  |                                     |                              |
| 1.                                  | Mr. Ashwin N. Sheth               | -   | 0.00                         | No Change  | -                                   | 0.00                         |
| 2.                                  | Mr. Jitendra N. Sheth             | -   | 0.00                         | No Change  | -                                   | 0.00                         |
| 3.                                  | Mr. Vallabh N. Sheth              | -   | 0.00                         | No Change  | -                                   | 0.00                         |
| 4.                                  | Mr. Sharad N. Doshi               | -   | 0.00                         | No Change  | -                                   | 0.00                         |
| 5.                                  | Ms. Nalini R. Bajaria *           | 250                                       | 0.10                         | No Change  | 250                                 | 0.10                         |
| <b>(B) Key Managerial Personnel</b> |                                   |   |                              |  |                                     |                              |
| 6.                                  | Mr. Chintan A. Sheth (CFO)        | -   | 0.00                         | No Change  | -                                   | 0.00                         |
| 7.                                  | Mr. Ankush Bhoir (CS)             | -   | 0.00                         | No Change  | -                                   | 0.00                         |

\* Resigned on 15<sup>th</sup> March, 2018**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

(Amount in Rupees)

| Particulars  | Secured Loans | Unsecured Loans   | Deposits | Total Indebtedness |
|--|---------------|-------------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |               |                   |          |                    |
| (i) Principal Amount                                       | -             | 5,44,154          | -        | 5,44,154           |
| (ii) Interest due but not paid                             | -             | -                 | -        | -                  |
| (iii) Interest accrued but not due                         | -             | -                 | -        | -                  |
| <b>Total [(i)+(ii)+(iii)]</b>                              | -             | <b>5,44,154</b>   | -        | <b>5,44,154</b>    |
| <b>Change in Indebtedness during the financial year</b>    |               |                   |          |                    |
| - Addition   | -             | 5,44,154          | -        | 5,44,154           |
| - Reduction  | -             | <b>(5,44,154)</b> | -        | <b>(5,44,154)</b>  |
| <b>Net Change</b>  | -             | -                 | -        | -                  |
| <b>Indebtedness at the end of the financial year</b>       |               |                   |          |                    |
| (i) Principal Amount                                       | -             | -                 | -        | -                  |
| (ii) Interest due but not paid                             | -             | -                 | -        | -                  |
| (iii) Interest accrued but not due                         | -             | -                 | -        | -                  |
| <b>Total [(i)+(ii)+(iii)]</b>                              | -             | -                 | -        | -                  |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in Rupees)

| S. No. | Particulars of Remuneration  | Name of MD Ashwin Sheth | Name of WTD | Name of Manager | Total Amount |
|--------|--|-------------------------|-------------|-----------------|--------------|
| 1.     | Gross Salary<br>(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income Tax Act, 1961<br>(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961 | NIL                     | N.A.        | N.A.            | N.A.         |
| 2.     | Stock Option   | NIL                     | N.A.        | N.A.            | N.A.         |
| 3.     | Sweat Equity   | NIL                     | N.A.        | N.A.            | N.A.         |
| 4.     | Commission - as % of profit  | NIL                     | N.A.        | N.A.            | N.A.         |
| 5.     | Others, please specify   | NIL                     | N.A.        | N.A.            | N.A.         |
|        | <b>Total (A)</b>   | <b>NIL</b>              | <b>N.A.</b> | <b>N.A.</b>     | <b>N.A.</b>  |
|        | Ceiling as per the Act   |                         |             |                 |              |



**B. Remuneration to other directors:**

(Amount in Rupees)

| S. No. | Particulars of Remuneration   | Name of Directors    |                      |                      |                      | Total Amount |
|--------|---|----------------------|----------------------|----------------------|----------------------|--------------|
|        |   | Vallabh N. Sheth     | Jitendra N. Sheth    | Sharad N. Doshi      | Nalini R. Bajaría *  |              |
| 1.     | Independent Directors<br>• Fee for attending board/committee meetings<br>• Commission<br>• Others, please specify         | N.A.<br>N.A.<br>N.A. | N.A.<br>N.A.<br>N.A. | -<br>-<br>-          | -<br>-<br>-          | -<br>-<br>-  |
|        | <b>Total (1)</b>  | -                    | -                    | -                    | -                    | -            |
| 2.     | Other Non-Executive Directors<br>• Fee for attending board/committee meetings<br>• Commission<br>• Others, please specify | -<br>-<br>-          | -<br>-<br>-          | N.A.<br>N.A.<br>N.A. | N.A.<br>N.A.<br>N.A. | -<br>-<br>-  |
|        | <b>Total (2)</b>  | -                    | -                    | -                    | -                    | -            |
|        | <b>Total (B) = (1+2)</b>  | -                    | -                    | -                    | -                    | -            |
|        | Total Managerial Remuneration   | <b>NIL</b>           | <b>NIL</b>           | <b>NIL</b>           | <b>NIL</b>           | <b>NIL</b>   |
|        | Overall Ceiling as per the Act  |                      |                      |                      |                      |              |

\* Resigned on 15<sup>th</sup> March, 2018**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Amount in Rupees)

| S. No. | Particulars of Remuneration   | Key Managerial Personnel |                               |             |
|--------|---|--------------------------|-------------------------------|-------------|
|        |   | CS<br>(Mr. Ankush Bhoir) | CFO<br>(Mr. Chintan A. Sheth) | Total       |
| 1.     | Gross Salary<br>a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961 | -<br>-<br>-              | -<br>-<br>-                   | -<br>-<br>- |
| 2.     | Stock Option  | -                        | -                             | -           |
| 3.     | Sweat Equity  | -                        | -                             | -           |
| 4.     | Commission<br>- as % of profit<br>- Others, specify....   | -                        | -                             | -           |
| 5.     | Others, please specify  | -                        | -                             | -           |
|        | <b>Total</b>  | <b>NIL</b>               | <b>NIL</b>                    | <b>NIL</b>  |

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

(Amount in Rupees)

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD/NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                            |                                    |
| Penalty                             | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Punishment                          | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Compounding                         | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                            |                                    |
| Penalty                             | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Punishment                          | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Compounding                         | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                            |                                    |
| Penalty                             | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Punishment                          | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Compounding                         | NIL                          | NIL               | NIL  | NIL                        | NIL                                |

For and on behalf of Board of Directors  
For **Precious Trading and Investments Limited**

Place : Mumbai  
Date : 4<sup>th</sup> September, 2018

Ashwin N. Sheth  
Chairman  
DIN: 00002053

## ANNEXURE # 2

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### NOMINATION AND REMUNERATION POLICY

#### 1. OBJECTIVE

The Nomination, Remuneration and Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement (as amended from time to time). The Key Objectives of the Committee would be:

- 1.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4 To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6 To devise a policy on Board diversity
- 1.7 To develop a succession plan for the Board and to regularly review the plan;
- 1.8 To formulate detailed ESOS Plan and the terms and conditions thereof including but not limited to determination of the Exercise Price, Exercise Period, Lock – in period, consequence of failure to exercise option, method of valuation, accounting policies, disclosures, etc and matters related thereto.

#### 2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel** means
  - 2.4.1. Managing Director;
  - 2.4.2. Whole-time director;
  - 2.4.3. Chief Financial Officer;
  - 2.4.4. Company Secretary; and
  - 2.4.5. Such other officer as may be prescribed.

**2.5. Senior Management** means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

### **3. ROLE OF COMMITTEE**

#### **3.1 Terms of reference**

The Committee shall:

- 3.1.1.** Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2.** Identify persons who are qualified to become Director and persons who may be appointed as Key Managerial Personnel in accordance with the criteria laid down in this policy.
- 3.1.3.** Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management Personnel.
- 3.1.4** formulate detailed ESOS Plan and the terms and conditions thereof including but not limited to determination of the Exercise Price, Exercise Period, Lock – in period, consequence of failure to exercise option, method of valuation, accounting policies, disclosures, etc and matters related thereto.

#### **3.2. Policy for appointment and removal of Director, KMP and Senior Management**

##### **3.2.1. Appointment criteria and qualifications**

- (a)** The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- (b)** A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- (c)** The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

##### **3.2.2. Term / Tenure**

###### **(a) Managing Director/Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### **(b) Independent Director**

- (1)** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- (2)** No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on date as may be determined by the Committee as per regulatory requirement; he/she shall be eligible for appointment for one more term of 5 years only.
- (3)** At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

#### **3.2.3. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

#### **3.2.4. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### **3.2.5. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **3.3. Policy relating to the Remuneration for the Managing Director or Whole- time Director, KMP and Senior Management Personnel**

#### **3.3.1. General**

- (a)** The remuneration/compensation/commission etc. to the Managing Director or Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration /compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

- (b) The remuneration and commission to be paid to the Managing Director or Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act and in line with the Company's policy.
- (c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director or Whole-time Director.
- (d) Where any insurance is taken by the Company on behalf of its Managing Director or Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **3.3.2. Remuneration to Whole-time/Executive/Managing Director, KMP and Senior Management Personnel:**

#### **(a) Fixed pay**

The Managing Director or Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

#### **(b) Minimum Remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### **(c) Provisions for excess remuneration**

If any Managing Director or Whole-time Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Govt., where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Govt.

### **3.3.3. Remuneration to Non- Executive/Independent Director**

#### **(a) Remuneration/Commission**

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and/or the Act.

#### **(b) Sitting Fees**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**(c) Commission**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**(d) Stock Options**

An Independent Director shall not be entitled to any stock option of the Company.

**4. MEMBERSHIP**

- 4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

**5. CHAIRPERSON**

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**6. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

**7. COMMITTEE MEMBERS' INTERESTS**

- 7.1 A member of the Committee is not entitled to be present when his or her remuneration is discussed at a meeting or when his or her performance is being evaluated.

**7.2** The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **8. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

## **9. VOTING**

**9.1** Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

**9.2** In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **10. NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:

**10.1** Ensuring that there is appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

**10.2** Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

**10.3** Identifying and recommending Directors who are to be put forward for retirement by rotation.

**10.4** Determining the appropriate size, diversity and composition of the Board;

**10.5** Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

**10.6** Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

**10.7** Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

**10.8** Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

**10.9** Delegating any of its powers to one or more of its members or the Secretary of the Committee;

**10.10** Recommend any necessary changes to the Board; and

**10.11** Considering any other matters, as may be requested by the Board.



## **11. REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- 11.1** To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2** To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3** To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4** To consider any other matters as may be requested by the Board.
- 11.5** Professional indemnity and liability insurance for Directors and senior management.

## **12. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be recorded and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

For and on behalf of the Board of Directors  
For **Precious Trading and Investments Limited**

**Place** : Mumbai  
**Date** : 4<sup>th</sup> September, 2018

Ashwin N. Sheth  
**Chairman**  
**DIN: 00002053**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

For The Financial Year Ended on 31<sup>st</sup> March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To**

**The Members,**

**Precious Trading and Investments Limited**

Ground and 3<sup>rd</sup> Floor, Prius Infinity

Paranjape B Scheme, Subhash Road

Vile Parle (East)

Mumbai 400057

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Precious Trading and Investments Limited** (CIN: L51900MH1983PLC029176) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable to the Company during the Audit Period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the Company during the Audit Period)**;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not Applicable to the Company during the Audit Period)**;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)** and
  - i. The Securities and Exchange Board of India (Listing obligations and Disclosures Requirements) Regulations, 2015.
- (vi) The management has confirmed that there is/ are no sector specific laws applicable to the Company during the Audit Period.

I have also examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the Secretarial Standards issued by The Institute of Company Secretaries of India. Further, the Company has generally complied with provisions of the Companies Act and Rules framed thereunder, Regulations and Guidelines

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, following were the specific events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

| Sr. No. | Date of event | Details of the specific events/actions bearing on Company's affairs pursuance of the above referred laws, rules, regulations, guidelines etc  |
|---------|---------------|---|
| 1.      | 13.07.2017    | The Company has passed special resolution at the EGM pursuant to the provisions of Section 14 of the Companies Act, 2013 for adoption of new set of Articles of Association of the Company. |

|    |            |   |
|----|------------|---|
| 2. | 13.07.2017 | The Company has passed special resolution at the EGM pursuant to the provisions of Section 180 (1)(a) of the Companies Act, 2013 for creation of mortgage, charge and/or hypothecation for an amount not exceeding Rs. 1500 Crores (Rupees One Thousand and Five Hundred Crores).   |
| 3. | 13.07.2017 | The Company has passed special resolution at the EGM pursuant to the provisions of Section 180 (1)(c) of the Companies Act, 2013 for borrowing monies in excess of the paid-up capital and free reserves of the Company upto a limit not exceeding Rs. 1500 Crores (Rupees One Thousand and Five Hundred Crores).   |
| 4. | 13.07.2017 | The Company has passed special resolution at the EGM pursuant to the provisions of Section 186 of the Companies Act, to give loan(s) to any person(s) or body corporate(s) and/or give any guarantee/ provide any security(ies) in connection with loan(s) made to any person(s) or body corporate(s) and to acquire by way of subscription, purchase or otherwise the securities of any body corporate(s) up to a limit not exceeding Rs. 1500 Crores (Rupees One Thousand and Five Hundred Crores). |

**Khushboo B Gopani**  
**Practicing Company Secretary**

**Place: Mumbai**  
**Date: 4<sup>th</sup> September, 2018**

**Membership No. A29194**  
**CP No. 10560**

**Note: This report is to be read with my letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.**

To  
The Members  
**Precious Trading and Investments Limited**  
Ground and 3<sup>rd</sup> Floor, Prius Infinity  
Paranjape B Scheme, Subhash Road  
Vile Parle (East)  
Mumbai 400057

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Khushboo B Gopani**  
**Practicing Company Secretary**

**Place: Mumbai**  
**Date: 4<sup>th</sup> September, 2018**

**Membership No. A29194**  
**CP No. 10560**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **GLOBAL ECONOMIC OUTLOOK**

Global activity has broadly strengthened and is gradually improving in 2017-18, with much of the impetus coming from advanced economies. Activity in many emerging market economies has disappointed in a less favorable external financial environment. Although market pressures were relatively broad based, countries especially third world, with higher inflation and wider current account deficits were generally more affected. Some of these weaknesses have been present for some time, but with prospects of improved returns in advanced economies, investor sentiment is now less favorable toward emerging market risks. In view of possible capital flow reversals, risks related to sizable external funding needs and disorderly currency depreciations are a concern. Some emerging market economies have tightened macroeconomic policies to shore up confidence and strengthen their commitment to policy objectives. The cost of capital has increased as a result, and this is dampening investment and weighing down on growth. Looking ahead, global growth is projected to strengthen, led by strong growth in the United States and positive but varied growth projections for the euro area: stronger in the core, but weaker in countries with high debt (both private and public) and financial fragmentation. In emerging markets and developing economies, growth is projected to pick up helped by stronger external demand from advanced economies, but tighter financial conditions will be a dampener to domestic demand growth.

### **DOMESTIC ECONOMIC OUTLOOK**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

### **GLOBAL SCENARIO OF FINANCIAL INDUSTRY**

Financial Services is the one of the growing sector of Indian economy, which determines the growth and sustainability. There are vast opportunities available for investments in the country for its globalization.

The Company is focused on trading in Finance products and Investments in Shares, Banks and other Financial Channels in India and internationally. The Company has been planning to trade and finance in Financial products at large scale.

### **INDUSTRY STRUCTURE AND DEVELOPMENT OF THE COMPANY AND THRUST OF THE BUSINESS**

Precious Trading and Investments Ltd. is an Investment Company holding more than 99% of its assets in the form of investments in shares of or debts in Group Companies, out of which more than 86% are in the form of the investment in Equity Shares.

The thrust of business is to hold and continue to hold securities in Sheth Group of Companies.

Indian economy faced considerable macro challenges during Financial Year 2017-18, the most prominent being sharp deterioration in Balance of Payments (BoP) situation.

## OPPORTUNITIES AND THREATS

### Pricing and Rising of Finance Costs

The industry is very much dependent on FII Investments. Any price volatility due to these investments and to adjust to the same could adversely affect the results of operations and profitability of the industry.

### Domestic Markets

We try and tap every lawful opportunity coming our way and follow a focused approach and increased marketing efforts. In the coming years, we shall strive harder to start the activities of the Company.

### Segment-wise Performance

The operation of the company consists of a single segment. Hence, the Accounting Standard on Segment Reporting (AS-17) issued by Institute of Chartered Accountants of India does not apply.

### Outlook

The Indian economy has shown a substantial growth in the year 2017-18 and this will have a positive impact on all the sectors. However, to tap the full potential of this emerging opportunity, the domestic industry needs to improve its cost effectiveness, scale of operations and quality/reliability in order to be able to compete with other global competitors in the market.

Security Market has maintained their high volatility making it difficult to take long-term views on prices. The volatility of the rupee against the dollar has further been a cause of concern for investors.

We are committed to deliver quality Services on a consistent basis and at competitive prices. Our strategy has been to make optimum utilization of the resources and finally develop strong customer relationship and thereby backing our prime motto to be a Service driven Company.

### Risk and concerns

- Growth of unorganized sector and threat from local regional players.
- General economic and business conditions.
- Our Company's ability to successfully implement our growth strategy, fluctuation in Exchange rates.
- Changes in laws and regulations relating to the industry in which we operate.
- Changes in political and social conditions in India.

## RISKS AND CONCERNS

The Company's income is mainly from the dividend/Interest that may be receivable on investments held by it /may be held in future. Any adverse impact on the industries of which securities are held by the Company, also have a bearing on the performance of the Company. Any slowdown in the growth of Indian economy or future volatility in global financial market, could also adversely affect the business.



## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control procedures are tailored to match the organization's pace of growth and increasing complexity of operations. This ensures compliance to various policies, practices and statutes.

We have an independent and adequate system of Internal Control which enables reliable financial reporting, safeguard of assets and encourages adherence to management policies. The Company has a system for speedy compilation of accounts and management information reports to comply with applicable laws and regulations.

We have a reasonable budgetary control system so that the management can monthly review actual performance against the budget. A well defined organization structure is in place with authority level, internal rules and guidelines for conducting business transactions.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Break-up of Revenue and Costs of Company is as given below:

(amount in lakhs)

| Particulars                                  | 2017-18       | 2016-17       |
|--|---------------|---------------|
| <b>Income</b>                                | -             | -             |
| Operating Administrative & Other Expenditure | 5.49          | 5.57          |
| Total  | 5.49          | 5.57          |
| Profit Before Tax                            | (5.49)        | (5.57)        |
| <b>Profit After Tax</b>                      | <b>(5.49)</b> | <b>(5.57)</b> |
| Earning Per Share                            |               |               |

### Operating Administrative and other expenses:

The operating administrative and other expenses have been decreased from ₹ 5.49 (FY 2017-18) to ₹ 5.57 (FY 2016-17). There has been decrease of 1.44%.

## HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Industrial relations of the company were cordial during the year and continue to remain peaceful at the office at Mumbai and all the employees are working with the company for a common objective. Precious Trading and Investments Limited had three employees on payroll on the date of this report.

## CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing your Company's objectives, projections, estimates and expectations, may be 'forward looking statements' and are within the meaning of the applicable laws and regulations. Actual results might differ substantially or materially from those expressed and implied. Important developments that could affect your Company's operations include a downtrend in the international market, fall in on-site, offshore rates and significant changes in political and economic environment, environment standards, tax laws, litigations and labour relations.

For and on behalf of the Board of Directors  
For **Precious Trading and Investments Limited**

Place : Mumbai  
Date : 4<sup>th</sup> September, 2018

Ashwin N. Sheth  
**Chairman**  
DIN: 00002053

# INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**Precious Trading and Investments Limited**

## **Report on the Standalone Ind AS Financial Statements**

1. We have audited the accompanying standalone Ind AS financial statements of **M/s. Precious Trading and Investments Limited** (“the Company”), which comprise the Balance Sheet as at March 31<sup>st</sup>, 2018, and the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “standalone Ind AS financial statements”).

## **Management's Responsibility for the Standalone Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

4. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub section (11) of section 143 of the Act (hereinafter referred to as "Order"), we give in the Annexure A, statement of the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of accounts of the company.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of written representation received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

**For S M Gupta & Co.  
Chartered Accountants  
FRN No: 310015E**

**Place: Mumbai  
Date : May 30, 2018**

**Arpita Gupta  
Partner  
Membership No: 406209**

## **Annexure – A to Independent Auditors’ Report**

**(Referred to in Paragraph 10 of the Independent Auditors’ Report to the Members of even date)**

- i.** The Company does not have any fixed assets. Accordingly, paragraph (i) of the Order is not applicable.
- ii.** The Company does not have any stock of Inventories. Accordingly, paragraph (ii) of the Order is not applicable.
- iii.** According to the information and explanations given to us, the Company has granted unsecured loan to one party covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which :

  - (a) The terms and conditions of the grant of such loan are, in our opinion, prima facie, not prejudicial to the Company’s interest.
  - (b) In case of loan granted to the body corporate listed in the register maintained under Section 189 of the Act, the borrower have been regular in the payment of the principal and interest as stipulated.
  - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under Section 189 of the Act.
- iv.** *The Company has obtained an opinion from an Expert stating that “Section 185 and 186 are to be read harmoniously and the conditions contained in Section 186, if satisfied are an exception to the restrictions contained in Section 185.” Relying solely on the opinion obtained by the Company from the legal expert regarding the said transactions and the interpretations regarding the provisions of section 185 and 186 of the Companies Act, 2013, by the said expert, the company has complied with the provisions of Section 185 and 186 in respect of loans, investments, guarantees and security.*
- v.** According to information and explanations provided to us, the company has not obtained deposit from public as defined according to the provisions of Section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder.
- vi.** According to information and explanations provided to us, the Company has maintained accounts and cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 and as specified by the Central Government of India under Section 148(1) of the Companies Act, 2013. We have however not carried out a detailed examination of the same.
- vii.**

  - (a) According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees’ state insurance, duty of customs, duty of excise, income tax, sales tax, service tax, value added tax, goods and service tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, duty of customs, duty of excise, income tax, sales tax, service tax, value added tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31<sup>st</sup>, 2018 for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of provident fund, employees’

state insurance, duty of customs, duty of excise, income tax, sales tax, service tax, value added tax, goods and service tax, cess and other material statutory dues which have not been deposited on account of any disputes.

- viii.** In our opinion and according to the information and explanations given to us, the company has not raised any loans or borrowings from financial institutions, banks, Government or debenture holders. Accordingly, para 3(viii) of the Order is not applicable.
- ix.** The company has not raised any money via initial public offer or by way of further public offer or term loans and hence reporting under para 3(ix) of the Order is not applicable.
- x.** According to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi.** The Company has not paid any Managerial Remuneration during the year under audit. Accordingly, paragraph 3(xi) of the Order is not applicable.
- xii.** In our opinion, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii.** According to the information and explanations provided to us, and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.
- xiv.** During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv.** According to the information and explanations provided to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi.** The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For S M Gupta & Co.  
Chartered Accountants  
FRN No: 310015E**

**Arpita Gupta  
Partner  
Membership No: 406209**

**Place: Mumbai  
Date : May 30, 2018**

**Annexure – B to Independent Auditors’ Report**  
**(Referred to in Paragraph 10(f) of the Independent Auditors’ Report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

1. We have audited the internal financial controls over financial reporting of Precious Trading and Investments Limited (“the Company”) as of March 31<sup>st</sup>, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
  - (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S M Gupta & Co.  
Chartered Accountants  
FRN No: 310015E**

**Place: Mumbai  
Date : May 30, 2018**

**Arpita Gupta  
Partner  
Membership No: 406209**



## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Standalone Balance Sheet as at March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

| Particulars                         | Note No. | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|-------------------------------------|----------|-------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>                       |          |                         |                         |                         |
| <b>Non-current assets</b>           |          |                         |                         |                         |
| Financial assets                    |          |                         |                         |                         |
| i. Investments                      | 3        | 953.68                  | 953.68                  | 953.68                  |
| <b>Total non-current assets</b>     |          | <b>953.68</b>           | <b>953.68</b>           | <b>953.68</b>           |
| <b>Current assets</b>               |          |                         |                         |                         |
| Financial assets                    |          |                         |                         |                         |
| i. Cash and Cash Equivalents        | 4        | 3.94                    | 0.67                    | 0.18                    |
| ii. Loans                           | 5        | 132.12                  | 145.99                  | 1,060.99                |
| Other current assets                | 6        | -                       | 0.09                    | -                       |
| <b>Total current assets</b>         |          | <b>136.06</b>           | <b>146.75</b>           | <b>1,061.17</b>         |
| <b>Total assets</b>                 |          | <b>1,089.74</b>         | <b>1,100.43</b>         | <b>2,014.85</b>         |
| <b>EQUITY AND LIABILITIES</b>       |          |                         |                         |                         |
| <b>Equity</b>                       |          |                         |                         |                         |
| Equity share capital                | 7(a)     | 24.00                   | 24.00                   | 24.00                   |
| Other equity                        | 7(b)     | 1,064.90                | 1,070.39                | 1,075.95                |
| <b>Total equity</b>                 |          | <b>1,088.90</b>         | <b>1,094.39</b>         | <b>1,099.95</b>         |
| <b>Liabilities</b>                  |          |                         |                         |                         |
| <b>Current liabilities</b>          |          |                         |                         |                         |
| Financial liabilities               |          |                         |                         |                         |
| i. Borrowings                       | 8        | -                       | 5.44                    | 914.34                  |
| ii. Trade payables                  | 9        | 0.58                    | 0.28                    | 0.44                    |
| Provisions                          | 10       | 0.23                    | 0.23                    | 0.12                    |
| Other current liabilities           | 11       | 0.03                    | 0.09                    | 0.00                    |
| <b>Total current liabilities</b>    |          | <b>0.84</b>             | <b>6.04</b>             | <b>914.90</b>           |
| <b>Total liabilities</b>            |          | <b>0.84</b>             | <b>6.04</b>             | <b>914.90</b>           |
| <b>Total equity and liabilities</b> |          | <b>1,089.74</b>         | <b>1,100.43</b>         | <b>2,014.85</b>         |

Significant accounting policies and notes

1

**For S. M. Gupta & Co.**

Chartered Accountants  
ICAI FRN No. 310015E

**For and on behalf of the Board of Directors**

Arpita Gupta  
**Partner**  
Membership No. 406209

Ashwin N. Sheth  
**Director**  
DIN-00002053

Vallabh N. Sheth  
**Director**  
DIN-00002035

**Place :** Mumbai  
**Date :** May 30, 2018

Chintan A. Sheth  
**Chief Financial Officer**

Ankush V. Bhoir  
**Company Secretary**

**Place :** Mumbai  
**Date :** May 30, 2018

## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Statement of Profit & Loss for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

| Particulars                                    | Note No. | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
|--|----------|------------------------------|------------------------------|
| Revenue From Operations                        |          | -                            | -                            |
| Other Expenses                                 | 12       | 5.49                         | 5.57                         |
| <b>Total expenses</b>                          |          | <b>5.49</b>                  | <b>5.57</b>                  |
| <b>Profit/(Loss) Before Tax</b>                |          | <b>(5.49)</b>                | <b>(5.57)</b>                |
| Income tax expense                             |          |                              |                              |
| - Current tax                                  |          | -                            | -                            |
| - Deferred tax                                 |          | -                            | -                            |
| <b>Total tax expense/(credit)</b>              |          | <b>-</b>                     | <b>-</b>                     |
| <b>Profit/(Loss) for the year</b>              |          | <b>(5.49)</b>                | <b>(5.57)</b>                |
| Other Comprehensive income (Net of tax)        |          | -                            | -                            |
| <b>Other Comprehensive income for the year</b> |          | <b>-</b>                     | <b>-</b>                     |
| <b>Total comprehensive income for the year</b> |          | <b>(5.49)</b>                | <b>(5.57)</b>                |

Significant accounting policies and notes

1

**For S. M. Gupta & Co.**

Chartered Accountants  
ICAI FRN No. 310015E

**For and on behalf of the Board of Directors**

Arpita Gupta  
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Ashwin N. Sheth  
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**Director**  
DIN-00002035

**Place :** Mumbai  
**Date :** May 30, 2018

Chintan A. Sheth  
**Chief Financial Officer**

Ankush V. Bhoir  
**Company Secretary**

**Place :** Mumbai  
**Date :** May 30, 2018

## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Statement of Changes in Equity for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

#### A. Equity share capital

| Particulars                     | Amount |
|---------------------------------|--------|
| As at April 01, 2016            | 24.00  |
| Changes in equity share capital | -      |
| As at March 31, 2017            | 24.00  |
| Changes in equity share capital | -      |
| As at March 31, 2018            | 24.00  |

#### B. Other equity

| Particulars                                    | Reserves and surplus |                   | Total other equity |
|--|----------------------|-------------------|--------------------|
|  | Capital reserve      | Retained Earnings |                    |
| As at April 01, 2016                           | 982.66               | 93.30             | 1,075.95           |
| Profit for the year                            |                      | (5.57)            | (5.57)             |
| Other comprehensive income (Net of tax)        |                      | -                 | -                  |
| <b>Total comprehensive income for the year</b> |                      | <b>87.73</b>      |                    |
| As at March 31, 2017                           | 982.66               | 87.73             | 1,070.39           |
| As at April 01, 2017                           | 982.66               | 87.73             | 1,070.39           |
| Profit for the year                            |                      | (5.49)            | (5.49)             |
| Other comprehensive income (Net of tax)        |                      | -                 | -                  |
| <b>Total comprehensive income for the year</b> |                      | <b>82.24</b>      | <b>1,064.90</b>    |
| As at March 31, 2018                           | 982.66               | 82.24             | 1,064.90           |

For S. M. Gupta & Co.

Chartered Accountants

ICAI FRN No. 310015E

For and on behalf of the Board of Directors

Arpita Gupta

**Partner**

Membership No. 406209

Ashwin N. Sheth

**Director**

DIN-00002053

Vallabh N. Sheth

**Director**

DIN-00002035

Place : Mumbai

Date : May 30, 2018

Chintan A. Sheth

**Chief Financial Officer**

Place : Mumbai

Date : May 30, 2018

Ankush V. Bhoir

**Company Secretary**

## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Statement of Cash Flow for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

| Particulars   | Note No. | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
|---|----------|------------------------------|------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES :</b>                        |          |                              |                              |
| <b>Profit/(Loss) before Tax as per statement of profit and loss</b> |          | (5.49)                       | (5.57)                       |
| Adjustments   |          | -                            | -                            |
| <b>Operating Profit Before Working Capital Changes</b>              |          | <b>(5.49)</b>                | <b>(5.57)</b>                |
| <b>Movements in working capital</b>                                 |          |                              |                              |
| Decrease/(Increase) in loans and advances                           |          | 8.44                         | 6.10                         |
| Decrease/(Increase) in other assets                                 |          | 0.09                         | (0.09)                       |
| Increase/(Decrease) in current liabilities                          |          | (0.06)                       | 0.09                         |
| Increase/(Decrease) in payables                                     |          | 0.30                         | (0.16)                       |
| Increase/(Decrease) in provisions                                   |          | 0.00                         | 0.12                         |
|   |          | 8.76                         | 6.06                         |
| <b>Cash generated from operations</b>                               |          |                              |                              |
| Less : Direct Taxes Paid (net of refunds)                           |          | -                            | -                            |
| <b>Net Cash Inflow / (Outflow) from Operating Activities</b>        |          | <b>3.27</b>                  | <b>0.49</b>                  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES :</b>                        |          |                              |                              |
| <b>Net Cash Inflow / (Outflow) from Investing Activities</b>        |          | -                            | -                            |
| <b>CASH FLOW FROM FINANCING ACTIVITIES :</b>                        |          |                              |                              |
| Proceeds from borrowings  |          | -                            | -                            |
| <b>Net Cash Inflow / (Outflow) from Financing Activities</b>        |          | -                            | -                            |
| <b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>            |          | 3.27                         | 0.49                         |
| Add : Cash and Cash Equivalents at Beginning of the year            | 4        | 0.67                         | 0.18                         |
| <b>Cash and Cash Equivalents at End of the year</b>                 |          | <b>3.94</b>                  | <b>0.67</b>                  |

#### Cash and cash equivalent comprises of the following :

| Particulars           | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|-----------------------|-------------------------|-------------------------|
| Cash in hand          | 0.02                    | 0.03                    |
| Balances with Banks:  |                         |                         |
| - In Current Accounts | 3.92                    | 0.64                    |
| <b>Total</b>          | <b>3.94</b>             | <b>0.67</b>             |

**Note:** The cash flow statement has been prepared under the indirect method as set out in Ind AS 7.

#### For S. M. Gupta & Co.

Chartered Accountants  
ICAI FRN No. 310015E

Arpita Gupta  
**Partner**  
Membership No. 406209

**Place :** Mumbai  
**Date :** May 30, 2018

#### For and on behalf of the Board of Directors

Ashwin N. Sheth  
**Director**  
DIN-00002053

Vallabh N. Sheth  
**Director**  
DIN-00002035

Chintan A. Sheth  
**Chief Financial Officer**

Ankush V. Bhoir  
**Company Secretary**

**Place :** Mumbai  
**Date :** May 30, 2018

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Standalone financial statements

### Note 1 - Significant accounting policies

#### Background

Precious Trading and Investments Limited is a company limited by shares, incorporated and domiciled in India (Hereinafter, referred to as the "Company" ). The company is engaged in investment activities.

#### *a) Basis of preparation*

##### *i) Compliance with Ind AS*

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS. Refer note 20 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

##### *ii) Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value.

#### *b) Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of goods is recognised on transfer of significant risks and rewards of ownership which is generally on dispatch of goods.

#### *c) Provisions & Contingent Liabilities*

##### **Provisions**

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

##### **Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### *d) Income Tax*

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Standalone financial statements (Continued...)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### e) *Cash and cash equivalents*

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### f) *Financial assets and liabilities*

#### (i) **Financial assets**

##### 1. *Classification*

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

##### 2. **Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Standalone financial statements (Continued...)

**Measured at fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Measured at fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is investments are recognised in profit or loss as other income when the company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### 3. Impairment of financial assets

The Company is required to assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### 4. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

### 5. Income recognition

#### Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

#### Dividend Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

(ii) Financial liabilities:

#### 1. Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

#### 2. Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### 3. Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Standalone financial statements (Continued...)

### *h) Segment Reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Since the company is only operating in investment activity, there is only one segment for the company, hence no segment wise reporting as per Ind AS is provided.

### *i) Trade and other payables*

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45-90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### *j) Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

### *k) Borrowing Cost*

Borrowing costs relating to acquisition and/or construction of qualifying assets are capitalized to the extent that the funds are borrowed and used for purpose of constructing a qualifying asset until the time all substantial activities necessary to prepare the qualifying assets for their intended use or sale are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs which are not related to acquisition and/or construction activities nor are incidental thereto are charged to the Statement of Profit and Loss.

### *l) Earnings per share*

#### *(i) Basic earnings per share:*

Basic earnings per share is calculated by dividing:

- a) the profit attributable to owners of the company
- b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### *(ii) Diluted earnings per share:*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- a) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and,
- b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### *m) Rounding of amounts*

All amounts disclosed in the financial statements and notes have been rounded off to the nearest 'Lacs' as per the requirement of Schedule III, unless otherwise stated.

## **Note 2 - Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

### **Critical estimates and judgements**

The areas involving critical estimates or judgements are:

- Estimation of fair value of financial assets & liabilities



## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

#### Note 3 - Non-Current Investments

| Particulars  | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|--|-------------------------|-------------------------|-------------------------|
| <b>Investment in Equity Instruments (Unquoted)</b>   |                         |                         |                         |
| <b>Investment in Associate (at cost)</b>   |                         |                         |                         |
| Sheth Developers & Realtors (I) Ltd. (1,37,70,000 fully paid up shares of Rs.10/- each)  | 76.88                   | 76.88                   | 76.88                   |
| <b>Investment in Other Equity (at FVTPL)</b>   |                         |                         |                         |
| Sheth Shelter P.Ltd(1 fully paid up share of Rs. 100)  | 0.00                    | 0.00                    | 0.00                    |
| <b>Other Investments (at FVTPL)</b>  |                         |                         |                         |
| <b>Investment in Preference Shares</b>   |                         |                         |                         |
| Sheth Shelter Private Ltd (4,38,400, 6% Redeemable Non-Cumulative, Non-Participating preference shares of Rs. 10/- each and Premium of Rs.190/- per share) | 876.80                  | 876.80                  | 876.80                  |
| <b>Total</b>   | <b>953.68</b>           | <b>953.68</b>           | <b>953.68</b>           |

Aggregate amount of unquoted investments 953.68 953.68 953.68

Aggregate amount of impairment in the value of investment - - -

Refer Note 14 for information on credit risk and Market risk.

#### Note 4 - Cash and cash equivalents

| Particulars          | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|----------------------|-------------------------|-------------------------|-------------------------|
| Cash on Hand         | 0.02                    | 0.03                    | 0.03                    |
| Balances with Banks: |                         |                         |                         |
| In current accounts  | 3.92                    | 0.64                    | 0.15                    |
| <b>Total</b>         | <b>3.94</b>             | <b>0.67</b>             | <b>0.18</b>             |

#### Note 5 - Current Loans

| Particulars                                    | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|--|-------------------------|-------------------------|-------------------------|
| <b>Unsecured, considered good</b>              |                         |                         |                         |
| Loans to related parties- Receivable on demand | 132.12                  | 145.99                  | 1,060.99                |
| <b>Total</b>                                   | <b>132.12</b>           | <b>145.99</b>           | <b>1,060.99</b>         |

#### Note 6 - Other Current Assets

| Particulars      | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|------------------|-------------------------|-------------------------|-------------------------|
| Prepaid expenses | -                       | 0.09                    | -                       |
| <b>Total</b>     | <b>-</b>                | <b>0.09</b>             | <b>-</b>                |

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

### Note 7 - Equity Share capital and other equity

#### 7(a) Equity share capital

##### (i) Authorised share capital

| Particulars              | Number of shares | Equity share capital |
|--------------------------|------------------|----------------------|
| As at April 01, 2016     | 2,50,000         | 25.00                |
| Increase during the year | -                | -                    |
| As at March 31, 2017     | 2,50,000         | 25.00                |
| Increase during the year | -                | -                    |
| As at March 31, 2018     | 2,50,000         | 25.00                |

##### (ii) Issued, subscribed and paid-up share capital

| Particulars              | Number of shares | Equity share capital |
|--------------------------|------------------|----------------------|
| As at April 01, 2016     | 2,40,000         | 24.00                |
| Increase during the year | -                | -                    |
| As at March 31, 2017     | 2,40,000         | 24.00                |
| Increase during the year | -                | -                    |
| As at March 31, 2018     | 2,40,000         | 24.00                |

##### (iii) Terms and rights attached to equity shares

a) The company has one class of equity share having a par value of ₹ 10/- per share. Each share is entitled to one vote.

b) In the event of the liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. However no such preferential amounts exist currently.

##### (iv) Share of the company held by holding/ultimate holding company

| Particulars                      | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|----------------------------------|----------------------|----------------------|----------------------|
| Sheth Developers Private Limited | 1,79,970             | 1,79,970             | 1,79,970             |

##### (vi) Details of shareholders holding more than 5% shares in the company

| Particulars                | As at March 31, 2018 |           | As at March 31, 2017 |           | As at April 01, 2016 |           |
|----------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|
|                            | No of Shares         | % holding | No of Shares         | % holding | No of Shares         | % holding |
| Sheth Developers Pvt. Ltd. | 1,79,970             | 74.99%    | 1,79,970             | 74.99%    | 1,79,970             | 74.99%    |

#### 7(b) Reserves and surplus

| Particulars       | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|-------------------|----------------------|----------------------|----------------------|
| Retained Earnings | 82.24                | 87.73                | 93.30                |
| Capital Reserve   | 982.66               | 982.66               | 982.66               |
| <b>Total</b>      | <b>1,064.90</b>      | <b>1,070.39</b>      | <b>1,075.95</b>      |

##### (i) Retained Earnings

| Particulars                                    | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|---------------------------|---------------------------|
| Opening balance                                | 87.73                     | 93.30                     |
| Net Profit / (Loss) for the year               | (5.49)                    | (5.57)                    |
| Items of other comprehensive income recognised | -                         | -                         |
| <b>Closing balance</b>                         | <b>82.24</b>              | <b>87.73</b>              |

##### (ii) Capital Reserve

| Particulars                    | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--------------------------------|---------------------------|---------------------------|
| Opening balance                | 982.66                    | 982.66                    |
| Appropriations during the year | -                         | -                         |
| <b>Closing balance</b>         | <b>982.66</b>             | <b>982.66</b>             |

## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

#### Note 8 - Short term borrowings

| Particulars                                  | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|--|-------------------------|-------------------------|-------------------------|
| <b>Unsecured, Considered good</b>            |                         |                         |                         |
| Loan from Related Party- Repayable on demand | -                       | 5.44                    | 914.34                  |
| <b>Total</b>                                 | <b>-</b>                | <b>5.44</b>             | <b>914.34</b>           |

Refer note 14 for information about liquidity risk and borrowings.

#### Note 9 - Trade Payables

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|---|-------------------------|-------------------------|-------------------------|
| Trade payable - Micro and small enterprises*            | -                       | -                       | -                       |
| Trade Payables - Other than micro and small enterprises | 0.58                    | 0.28                    | 0.44                    |
| <b>Total</b>  | <b>0.58</b>             | <b>0.28</b>             | <b>0.44</b>             |

\* Based on the information available with the Company there are no dues outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date.

Refer note 14 for information about liquidity risk and trade payables.

#### Note 10- Short term Provisions

| Particulars            | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|------------------------|-------------------------|-------------------------|-------------------------|
| Provision for Expenses | 0.23                    | 0.23                    | 0.12                    |
| <b>Total</b>           | <b>0.23</b>             | <b>0.23</b>             | <b>0.12</b>             |

#### Note 11 - Other Current Liabilities

| Particulars           | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|-----------------------|-------------------------|-------------------------|-------------------------|
| Statutory Liabilities | 0.03                    | 0.09                    | -                       |
| <b>Total</b>          | <b>0.03</b>             | <b>0.09</b>             | <b>-</b>                |

#### Note 12 - Other expenses

| Particulars                      | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
|----------------------------------|------------------------------|------------------------------|
| Advertisement Expenses           | 0.58                         | 0.88                         |
| Audit Fees                       | 0.12                         | 0.12                         |
| Legal Charges                    | 1.15                         | 1.50                         |
| Other Fees & Stamps              | 0.29                         | 0.34                         |
| Filing fees and stamping charges | 0.13                         | 0.19                         |
| Stock Exchange Listing Fees      | 2.88                         | 2.29                         |
| Bank Charges                     | 0.02                         | 0.02                         |
| Miscellaneous expenses           | 0.32                         | 0.24                         |
| <b>Total</b>                     | <b>5.49</b>                  | <b>5.57</b>                  |

## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

#### Note 13- Fair Value Measurement

##### a) Financial instruments classified by categories :

| Particulars                        | FVPL                    |                         |                         | Amortised cost          |                         |                         |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                    | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
| <b>Financial assets</b>            |                         |                         |                         |                         |                         |                         |
| Investment in Preference Shares    | 876.80                  | 876.80                  | 876.80                  | -                       | -                       | -                       |
| Cash and cash equivalents          | -                       | -                       | -                       | 3.94                    | 0.67                    | 0.18                    |
| Loans to related parties           | -                       | -                       | -                       | 132.12                  | 145.99                  | 1,060.99                |
| <b>Total financial assets</b>      | <b>876.80</b>           | <b>876.80</b>           | <b>876.80</b>           | <b>136.06</b>           | <b>146.66</b>           | <b>1,061.17</b>         |
| <b>Financial liabilities</b>       |                         |                         |                         |                         |                         |                         |
| Trade payables                     | -                       | -                       | -                       | 0.58                    | 0.28                    | 0.44                    |
| Borrowings                         | -                       | -                       | -                       | -                       | 5.44                    | 914.34                  |
| <b>Total financial liabilities</b> | <b>-</b>                | <b>-</b>                | <b>-</b>                | <b>0.58</b>             | <b>5.72</b>             | <b>914.78</b>           |

##### b) Financial instruments classified by hierarchy :

| As at March 31, 2018               | Notes | Level 1 | Level 2 | Level 3         | Total           |
|------------------------------------|-------|---------|---------|-----------------|-----------------|
| <b>Financial assets</b>            |       |         |         |                 |                 |
| Investment in Preference Shares    | 3     | -       | -       | 876.80          | 876.80          |
| Cash and cash equivalents          | 4     | -       | -       | 3.94            | 3.94            |
| Loans to related parties           | 5     | -       | -       | 132.12          | 132.12          |
| <b>Total Financial Assets</b>      |       | -       | -       | <b>1,012.86</b> | <b>1,012.86</b> |
| <b>Financial liabilities</b>       |       |         |         |                 |                 |
| Trade payables                     | 9     | -       | -       | 0.58            | 0.58            |
| Borrowings                         | 8     | -       | -       | -               | -               |
| <b>Total Financial liabilities</b> |       | -       | -       | <b>0.58</b>     | <b>0.58</b>     |

#### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

| As at March 31, 2017               | Notes | Level 1 | Level 2 | Level 3         | Total           |
|------------------------------------|-------|---------|---------|-----------------|-----------------|
| <b>Financial assets</b>            |       |         |         |                 |                 |
| Investment in Preference Shares    | 3     | -       | -       | 876.80          | 876.80          |
| Cash and cash equivalents          | 4     | -       | -       | 0.67            | 0.67            |
| Loans to related parties           | 5     | -       | -       | 145.99          | 145.99          |
| <b>Total Financial Assets</b>      |       | -       | -       | <b>1,023.46</b> | <b>1,023.46</b> |
| <b>Financial liabilities</b>       |       |         |         |                 |                 |
| Trade payables                     | 9     | -       | -       | 0.28            | 0.28            |
| Borrowings                         | 8     | -       | -       | 5.44            | 5.44            |
| <b>Total Financial liabilities</b> |       | -       | -       | <b>5.72</b>     | <b>5.72</b>     |

#### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

| As at March 31, 2016               | Notes | Level 1 | Level 2 | Level 3         | Total           |
|------------------------------------|-------|---------|---------|-----------------|-----------------|
| <b>Financial assets</b>            |       |         |         |                 |                 |
| Investment in Preference Shares    | 3     | -       | -       | 876.80          | 876.80          |
| Cash and cash equivalents          | 4     | -       | -       | 0.67            | 0.67            |
| Loans to related parties           | 5     | -       | -       | 145.99          | 145.99          |
| <b>Total Financial Assets</b>      |       | -       | -       | <b>1,023.46</b> | <b>1,023.46</b> |
| <b>Financial liabilities</b>       |       |         |         |                 |                 |
| Trade payables                     | 9     | -       | -       | 0.44            | 0.44            |
| Borrowings                         | 8     | -       | -       | 914.34          | 914.34          |
| <b>Total Financial liabilities</b> |       | -       | -       | <b>914.78</b>   | <b>914.78</b>   |

## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

#### The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data

#### Valuation processes

1. The main level 3 inputs used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.
- The carrying amounts of trade payables, current borrowings, cash and cash equivalents and loan to related parties (repayable on demand) are considered to be the same as their fair values, due to their short-term nature. This is classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

#### a) Fair value measurement using significant unobservable inputs (Level 3)

| Particulars                     | As at          | As at          | As at          |
|---------------------------------|----------------|----------------|----------------|
|                                 | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Investment in Preference Shares | 876.80         | 876.80         | 876.80         |
| <b>Total Financial Assets</b>   | <b>876.80</b>  | <b>876.80</b>  | <b>876.80</b>  |

#### b) Fair value of financial assets and liabilities measured at amortised cost

| Particulars                        | As at         |               | As at March 31, 2017 |               | As at April 1, 2016 |                 |
|------------------------------------|---------------|---------------|----------------------|---------------|---------------------|-----------------|
|                                    | Fair value    | Carrying Cost | Fair value           | Carrying Cost | Fair value          | Carrying Cost   |
| <b>Financial assets</b>            |               |               |                      |               |                     |                 |
| Cash and cash equivalents          | 3.95          | 3.95          | 0.67                 | 0.67          | 0.18                | 0.18            |
| Loans to related parties           | 132.12        | 132.12        | 145.99               | 145.99        | 1,060.99            | 1,060.99        |
| <b>Total Financial Assets</b>      | <b>136.07</b> | <b>136.07</b> | <b>146.66</b>        | <b>146.66</b> | <b>1,061.17</b>     | <b>1,061.17</b> |
| <b>Financial liabilities</b>       |               |               |                      |               |                     |                 |
| Trade payables                     | 0.58          | 0.58          | 0.28                 | 0.28          | 0.44                | 0.44            |
| Borrowings                         | -             | -             | 5.44                 | 5.44          | 914.34              | 914.34          |
| <b>Total Financial liabilities</b> | <b>0.58</b>   | <b>0.58</b>   | <b>5.72</b>          | <b>5.72</b>   | <b>914.78</b>       | <b>914.78</b>   |

## **Precious Trading and Investments Limited**

[CIN : L51900MH1983PLC029176]

### **Notes to Standalone financial statements (Continued...)**

#### **Note 14 - Financial risk management**

The company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

##### **(a) Credit risk :-**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed.

The company has provided loans to related parties where there is no risk of default hence, its exposure to credit risk is immaterial.

##### **(b) Market risk**

###### **(i) Foreign Currency Risk :-**

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (i.e. INR).

The company has no transactions in foreign currency hence the foreign currency risk exposure is Nil.

###### **(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest

The company has no borrowings bearing floating rate of interest. Hence, the exposure to interest rate risk is Nil.

##### **(c) Liquidity risk :-**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities.

The Company has taken all of its borrowings from related parties. Hence, the liquidity risk is immaterial for the company.

#### **Note 15 - Capital Management**

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from external parties such as banks or financial institutions. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain shareholder, creditor and stakeholder confidence to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

### Note 16 - Related Party Transactions

#### A. Name of related Parties and nature of relationship :

(i) Where control exists :

| Nature of Relationship  | Entity Name                                       |
|---|---|
| Holding Company   | Sheth Developers Private Limited                  |
| Associate Company   | Sheth Developers & Realtors (India) Limited       |
| Related party<br>(Companies where Director is a director or member) | Sheth Shelters Private Limited                    |
|   | Sheth Realcon Ventures Private Limited            |
|   | Sheth Infrastructure Private Limited              |
|   | Sheth Estate (International) Limited              |
|   | Sheth Shelters Private Limited                    |
|   | Sheth Realcon Ventures Private Limited            |
|   | Sheth Building Materials Private Limited          |
|   | Laxmiprabha Impex and Investments Private Limited |
|   | Sheth Corp Private Limited                        |
|   | Sheth Infracity Private Limited                   |
|   | Sheth Lifestyles Private Limited                  |
|   | Sheth Dreamhomes Private Limited                  |
|   | Sheth Infracity Private Limited                   |
|   | Sheth Universal Private Limited                   |
|   | Sheth Realty (India) Private Limited              |
|   | Sheth Smarthomes Private Limited                  |
|   | Sheth Aviation Private Limited                    |
|   | Sheth Development Private Limited                 |
|   | Sheth Holdings (India) Private Limited            |
|   | Sheth Homes Private Limited                       |
|   | Sheth Infra Estate Private Limited                |
|   | Alpha Business Consultants Private Limited        |
| Viviana Malls Private Limited                                       |   |
| Sheth Buildwell Private Limited                                     |   |
| Sheth Creators and Constructors Private Limited                     |   |
| Sheth Creators and Holdings Private Limited                         |   |
| Sheth Creators and Homemakers Private Limited                       |   |
| Sheth Creators and Planners Private Limited                         |   |
| Sheth Creators and Promoters Private Limited                        |   |
| Sheth Realtors and Holdings Private Limited                         |   |
| Sheth Heights Private Limited                                       |   |
| Neepa Real Estates Private Limited                                  |   |
| Transcon - Sheth Creators Private Limited                           |   |
| Related Party<br>(LLP where director is a partner)                  | Lohitka Properties LLP                            |
|   | Sanjeevani Vyaapar LLP                            |
|   | Sheth Adobe LLP                                   |
|   | Sheth Real Projects LLP                           |

(ii) Director and Key Managerial Personnel :

|                                 |   |
|---------------------------------|---|
| Director/Key Managerial Persons | Mr. Ashwin N. Sheth<br>Mr . Jitendra N. Sheth<br>Mr. vallabh N. Sheth |
|---------------------------------|---|

#### B. Key Management Personnel compensation

| For the year ended 31 March 2018 | Short-term employee benefits | Post-employment benefits | Long-term employee benefits | Share based payments | Termination benefit | Total |
|----------------------------------|------------------------------|--------------------------|-----------------------------|----------------------|---------------------|-------|
| Mr. Ashwin N. Sheth              | -                            | -                        | -                           | -                    | -                   | -     |

| For the year ended 31 March 2017 | Short-term employee benefits | Post-employment benefits | Long-term employee benefits | Share based payments | Termination benefit | Total |
|----------------------------------|------------------------------|--------------------------|-----------------------------|----------------------|---------------------|-------|
| Mr. Ashwin N. Sheth              | -                            | -                        | -                           | -                    | -                   | -     |





**Note 17 - Earnings per share**

| <b>Particulars</b>   | <b>Year ended<br/>March 31, 2018</b> | <b>Year ended<br/>March 31, 2017</b> |
|--|--------------------------------------|--------------------------------------|
| <b><u>(a) Basic and diluted earnings per share</u></b>   |                                      |                                      |
| Profit attributable to the equity holders of the Company   | (5,48,720.00)                        | (5,56,788.50)                        |
| Total basic earnings per share attributable to the equity holders of the Company (In ₹)                              | <b>(2.29)</b>                        | <b>(2.32)</b>                        |
| <b><u>(b) Weighted average number of shares used as the denominator</u></b>  |                                      |                                      |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share | 2,40,000                             | 2,40,000                             |

**Note 18 - Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz investment activities. Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". All of the operations of the company are in India hence, there is no geographical segment. Also, none of the segment has reportable revenue of more than 10%.

**Note 19- Contingent Liability**

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.

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Standalone financial statements (Continued...)

### Note 20 - First-time adoption of Ind AS

#### Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### (A) Exemptions & exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### (a) Ind AS optional exemptions

###### (i) Investment in Associate

"IND AS 101 provides an exemption that a first-time adopter which account for its investments in subsidiaries, joint ventures and associates in accordance with IND AS 27, 'Separate Financial Statements' shall measure those investments at one of the following amounts in its separate opening IND AS Balance Sheet:

- (a) cost determined in accordance with IND AS 27: or
- (b) deemed cost. The deemed cost of such an investment shall be its:
- (i) fair value at the entity's date of transition to IND ASs in its separate financial statements; or

###### (ii) previous GAAP carrying amount at that date.

Accordingly, the company has elected to apply this exemption and investment( i.e. in Equity Instruments) in associate is carried at its previous GAAP carrying amount.

##### (b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

###### (i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL or FVOCI;
- Investment in debt instruments carried at FVPL

###### (ii) Classification and measurement of financial assets

As required under Ind AS 101 the company has assessed the classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

#### Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS. The presentation requirements under previous GAAP differs from and hence the previous GAAP information has been restated for ease of reconciliation with Ind AS.

There is no change in the equity, total comprehensive income net cash flow from operating, investing or financing activities due to Ind AS adoption. Further, there is no change in the cash and cash equivalents for the purposes of statement of cash flows under previous GAAP and under Ind AS

#### Notes to first-time adoption:

##### Note 1: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and debentures were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under IND AS, these investments are required to be measured at fair value (other than investments in subsidiaries and joint ventures).

FORM # AOC-1

STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

PART "A" - SUBSIDIARIES

As on 31<sup>st</sup> March, 2018, the Company does not have any Subsidiary.

PART "B" - ASSOCIATES AND JOINT VENTURES

| Particulars                       |  | Details                                  |
|-----------------------------------|--|--|
| Name of associates/Joint Ventures |  | Sheth Developers & Realtors (India) Ltd. |
| 1.                                | Latest audited Balance Sheet Date  | 31 <sup>st</sup> March, 2018             |
| 2.                                | Shares of Associate held by the company on the year end                    |  |
|                                   | No.  | 1,37,70,000                              |
|                                   | Amount of Investment in Associates   | ₹ 76,88,249                              |
|                                   | Extend of Holding (%)  | 26.01                                    |
| 3.                                | Description of how there is significant influence                          | Holding equity shares more than 20%      |
| 4.                                | Reason why the associate is not consolidated                               | N.A.                                     |
| 5.                                | Net worth attributable to shareholding as per latest audited Balance Sheet | ₹ 101,30,25,255                          |
| 6.                                | Profit/Loss for the year   |  |
|                                   | (i) Considered in Consolidation  | N.A.                                     |
|                                   | (ii) Not Considered in Consolidation                                       | N.A.                                     |

For S. M. Gupta & Co.  
Chartered Accountants  
ICAI FRN No. 310015E

Arpita Gupta  
Partner  
Membership No. 406209

Place: Mumbai  
Date: 4<sup>th</sup> September, 2018

For Precious Trading and Investments Limited

Ashwin N. Sheth  
Director  
DIN: 00002053

Vallabh N. Sheth  
Director  
DIN: 00002035

Chintan A. Sheth  
Chief Financial Officer

Ankush Bhoir  
Company Secretary

Place: Mumbai  
Date: 4<sup>th</sup> September, 2018

# INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
Precious Trading & Investments Limited

## 1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **M/s. PRECIOUS TRADING & INVESTMENTS LIMITED** (“the Holding Company”) and its Associates, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year the ended, and a summary of the significant accounting policies and other explanatory information.

## 2. Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; an design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In case of its Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2018.
- b) In case of Statement of Profit and Loss Account of the Loss for the year ended on that date.
- c) In case of Cash flow statement of its cash flows for the year ended on that date.

#### **5. Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts of the company;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S. M. Gupta & Co.  
Chartered Accountants  
FRN No: 100137W**

**Place: Mumbai  
Date: September 4, 2018**

**Arpita Gupta  
Partner  
Membership No: 406209**

**Annexure - A to the Independent Auditors' Report**  
**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"), referred to in Paragraph 6(f) in the Independent Auditors' Report**

1. We have audited the internal financial controls over financial reporting of Precious Trading & Investments Limited ("the Holding Company") and its Associates as of March 31<sup>st</sup>, 2018 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
  - (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

- 7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

- 8. In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor, the Holding Company and its associates have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

**For S. M. Gupta & Co.  
Chartered Accountants  
FRN No: 100137W**

**Place: Mumbai  
Date: September 4, 2018**

**Arpita Gupta  
Partner  
Membership No: 406209**



# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Consolidated Balance Sheet as at March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

| Particulars                                       | Note No. | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|---|----------|-------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>                                     |          |                         |                         |                         |
| <b>Non-current assets</b>                         |          |                         |                         |                         |
| Investments accounted for using the equity method |          | 10,130.25               | 9,241.12                | 8,661.00                |
| Financial assets                                  |          |                         |                         |                         |
| i. Investments                                    | 3        | 876.80                  | 876.80                  | 876.80                  |
| <b>Total non-current assets</b>                   |          | <b>11,007.05</b>        | <b>10,117.93</b>        | <b>9,537.81</b>         |
| <b>Current assets</b>                             |          |                         |                         |                         |
| Financial assets                                  |          |                         |                         |                         |
| i. Cash and Cash Equivalents                      | 4        | 3.94                    | 0.67                    | 0.18                    |
| ii. Loans   | 5        | 132.12                  | 145.99                  | 1,060.99                |
| Other current assets                              | 6        | -                       | 0.09                    | -                       |
| <b>Total current assets</b>                       |          | <b>136.06</b>           | <b>146.75</b>           | <b>1,061.17</b>         |
| <b>Total assets</b>                               |          | <b>11,143.11</b>        | <b>10,264.68</b>        | <b>10,598.97</b>        |
| <b>EQUITY AND LIABILITIES</b>                     |          |                         |                         |                         |
| <b>Equity</b>                                     |          |                         |                         |                         |
| Equity share capital                              | 7(a)     | 24.00                   | 24.00                   | 24.00                   |
| Other equity                                      | 7(b)     | 11,118.27               | 10,234.63               | 9,660.08                |
| <b>Total equity</b>                               |          | <b>11,142.27</b>        | <b>10,258.63</b>        | <b>9,684.08</b>         |
| <b>Liabilities</b>                                |          |                         |                         |                         |
| <b>Current liabilities</b>                        |          |                         |                         |                         |
| Financial liabilities                             |          |                         |                         |                         |
| i. Borrowings                                     | 8        | -                       | 5.44                    | 914.34                  |
| ii. Trade payables                                | 9        | 0.58                    | 0.28                    | 0.44                    |
| Provisions  | 10       | 0.23                    | 0.23                    | 0.12                    |
| Other current liabilities                         | 11       | 0.03                    | 0.09                    | 0.00                    |
| <b>Total current liabilities</b>                  |          | <b>0.84</b>             | <b>6.04</b>             | <b>914.90</b>           |
| <b>Total liabilities</b>                          |          | <b>0.84</b>             | <b>6.04</b>             | <b>914.90</b>           |
| <b>Total equity and liabilities</b>               |          | <b>11,143.11</b>        | <b>10,264.68</b>        | <b>10,598.97</b>        |

Significant accounting policies and notes

1

**For S. M. Gupta & Co.**

Chartered Accountants  
ICAI FRN No. 310015E

**For and on behalf of the Board of Directors**

Arpita Gupta  
**Partner**  
Membership No. 406209

Ashwin N. Sheth  
**Director**  
DIN-00002053

Vallabh N. Sheth  
**Director**  
DIN-00002035

**Place :** Mumbai

**Date :** September 4, 2018

Chintan A. Sheth  
**Chief Financial Officer**

Ankush V. Bhoir  
**Company Secretary**

**Place :** Mumbai  
**Date :** September 4, 2018

## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Statement of Profit & Loss for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

| Particulars  | Note No. | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
|--|----------|------------------------------|------------------------------|
| Revenue From Operations  |          | -                            | -                            |
| Other Expenses   | 12       | 5.49                         | 5.57                         |
| <b>Total expenses</b>  |          | <b>5.49</b>                  | <b>5.57</b>                  |
| <b>Profit before share of net profits of investments accounted for using equity method and tax</b> |          | <b>(5.49)</b>                | <b>(5.57)</b>                |
| Share of net profit of associates accounted for using the equity method                            |          | <b>887.66</b>                | <b>580.87</b>                |
| <b>Profit/(Loss) Before Tax</b>  |          | <b>882.18</b>                | <b>575.31</b>                |
| Income tax expense   |          |                              |                              |
| - Current tax  |          | -                            | -                            |
| - Deferred tax   |          | -                            | -                            |
| <b>Total tax expense/(credit)</b>  |          | <b>-</b>                     | <b>-</b>                     |
| <b>Profit/(Loss) for the year</b>  |          | <b>882.18</b>                | <b>575.31</b>                |
| Other Comprehensive income (Net of tax)  |          | -                            | -                            |
| Share of OCI of associates accounted for using the equity method                                   |          | 1.46                         | (0.75)                       |
| <b>Other Comprehensive income for the year</b>   |          | <b>1.46</b>                  | <b>(0.75)</b>                |
| <b>Total comprehensive income for the year</b>   |          | <b>883.64</b>                | <b>574.55</b>                |

Significant accounting policies and notes

1

**For S. M. Gupta & Co.**

Chartered Accountants  
ICAI FRN No. 310015E

**For and on behalf of the Board of Directors**

Arpita Gupta  
**Partner**  
Membership No. 406209

Ashwin N. Sheth  
**Director**  
DIN-00002053

Vallabh N. Sheth  
**Director**  
DIN-00002035

**Place :** Mumbai  
**Date :** September 4, 2018

Chintan A. Sheth  
**Chief Financial Officer**

Ankush V. Bhoir  
**Company Secretary**

**Place :** Mumbai  
**Date :** September 4, 2018

## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Statement of Changes in Equity for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

#### A. Equity share capital

| Particulars                     | Amount |
|---------------------------------|--------|
| As at April 01, 2016            | 24.00  |
| Changes in equity share capital | -      |
| As at March 31, 2017            | 24.00  |
| Changes in equity share capital | -      |
| As at March 31, 2018            | 24.00  |

#### B. Other equity

| Particulars                                    | Reserves and surplus |                   | Total other equity |
|--|----------------------|-------------------|--------------------|
|  | Capital reserve      | Retained Earnings |                    |
| As at April 01, 2016                           | 982.66               | 8,677.42          | 9,660.08           |
| Profit for the year                            | -                    | 575.31            | 575.31             |
| Other comprehensive income (Net of tax)        | -                    | (0.75)            | (0.75)             |
| <b>Total comprehensive income for the year</b> | -                    | <b>574.55</b>     | <b>574.55</b>      |
| As at March 31, 2017                           | 982.66               | 9,251.98          | 10,234.63          |
| As at April 01, 2017                           | 982.66               | 9,251.98          | 10,234.63          |
| Profit for the year                            | -                    | 882.18            | 882.18             |
| Other comprehensive income (Net of tax)        | -                    | 1.46              | 1.46               |
| <b>Total comprehensive income for the year</b> | -                    | <b>883.64</b>     | <b>883.64</b>      |
| As at March 31, 2018                           | 982.66               | 10,135.61         | 11,118.27          |

For S. M. Gupta & Co.  
Chartered Accountants  
ICAI FRN No. 310015E

For and on behalf of the Board of Directors

Arpita Gupta  
**Partner**  
Membership No. 406209

Ashwin N. Sheth  
**Director**  
DIN-00002053

Vallabh N. Sheth  
**Director**  
DIN-00002035

Place : Mumbai  
Date : September 4, 2018

Chintan A. Sheth  
**Chief Financial Officer**

Ankush V. Bhoir  
**Company Secretary**

Place : Mumbai  
Date : September 4, 2018

## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Statement of Cash Flow for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

| Particulars   | Note No. | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
|---|----------|------------------------------|------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES :</b>                        |          |                              |                              |
| <b>Profit/(Loss) before Tax as per statement of profit and loss</b> |          | 882.18                       | 575.31                       |
| <i>Adjustments :</i>  |          | -                            | -                            |
| Share of profits of associate                                       |          | (887.66)                     | (580.87)                     |
| <b>Operating Profit Before Working Capital Changes</b>              |          | <b>(5.49)</b>                | <b>(5.57)</b>                |
| <b>Movements in working capital</b>                                 |          |                              |                              |
| Decrease/(Increase) in loans and advances                           |          | 8.44                         | 6.10                         |
| Decrease/(Increase) in other assets                                 |          | 0.09                         | (0.09)                       |
| Increase/(Decrease) in current liabilities                          |          | (0.06)                       | 0.09                         |
| Increase/(Decrease) in payables                                     |          | 0.30                         | (0.16)                       |
| Increase/(Decrease) in provisions                                   |          | 0.00                         | 0.12                         |
|   |          | 8.76                         | 6.06                         |
| <b>Cash generated from operations</b>                               |          |                              |                              |
| Less : Direct Taxes Paid (net of refunds)                           |          | -                            | -                            |
| <b>Net Cash Inflow / (Outflow) from Operating Activities</b>        |          | <b>3.27</b>                  | <b>0.49</b>                  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES :</b>                        |          |                              |                              |
| <b>Net Cash Inflow / (Outflow) from Investing Activities</b>        |          | -                            | -                            |
| <b>CASH FLOW FROM FINANCING ACTIVITIES :</b>                        |          |                              |                              |
| Proceeds from borrowings  |          | -                            | -                            |
| <b>Net Cash Inflow / (Outflow) from Financing Activities</b>        |          | -                            | -                            |
| <b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>            |          | 3.27                         | 0.49                         |
| Add : Cash and Cash Equivalents at Beginning of the year            | 4        | 0.67                         | 0.18                         |
| <b>Cash and Cash Equivalents at End of the year</b>                 |          | <b>3.94</b>                  | <b>0.67</b>                  |

#### Cash and cash equivalent comprises of the following :

| Particulars           | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|-----------------------|-------------------------|-------------------------|
| Cash in hand          | 0.02                    | 0.03                    |
| Balances with Banks:  |                         |                         |
| - In Current Accounts | 3.92                    | 0.64                    |
| <b>Total</b>          | <b>3.94</b>             | <b>0.67</b>             |

**Note:** The cash flow statement has been prepared under the indirect method as set out in Ind AS 7.

#### For S. M. Gupta & Co.

Chartered Accountants  
ICAI FRN No. 310015E

#### For and on behalf of the Board of Directors

Arpita Gupta  
**Partner**  
Membership No. 406209

Ashwin N. Sheth  
**Director**  
DIN-00002053

Vallabh N. Sheth  
**Director**  
DIN-00002035

**Place :** Mumbai  
**Date :** September 4, 2018

Chintan A. Sheth  
**Chief Financial Officer**

Ankush V. Bhoir  
**Company Secretary**

**Place :** Mumbai  
**Date :** September 4, 2018

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Consolidated financial statements

### Note 1 - Significant accounting policies

#### **Background**

Precious Trading and Investments Limited is a company limited by shares, incorporated and domiciled in India (Hereinafter, referred to as the "Company". The company is engaged in investment activities.

#### *a) Basis of preparation*

##### *i) Compliance with Ind AS*

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS. Refer note 20 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

##### *ii) Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value.

#### *b) Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of goods is recognised on transfer of significant risks and rewards of ownership which is generally on dispatch of goods.

#### *c) Provisions & Contingent Liabilities*

##### **Provisions**

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

##### **Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### *d) Income Tax*

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Consolidated financial statements (Continued...)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### e) *Cash and cash equivalents*

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### f) *Financial assets and liabilities*

#### (i) **Financial assets**

##### 1. *Classification*

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

##### 2. **Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

##### *Debt instruments*

Debt instruments are subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till de-recognition on the basis of

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

**Measured at amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Consolidated financial statements (Continued...)

**Measured at fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Measured at fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is investments are recognised in profit or loss as other income when the company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### 3. Impairment of financial assets

The Company is required to assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### 4. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

### 5. Income recognition

#### Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

#### Dividend Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

(ii) Financial liabilities:

#### 1. Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

#### 2. Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### 3. Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

# Precious Trading and Investments Limited

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## Notes to Consolidated financial statements (Continued...)

### **h) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Since the company is only operating in investment activity, there is only one segment for the company, hence no segment wise reporting as per Ind AS is provided.

### **i) Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45-90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **j) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

### **k) Borrowing Cost**

Borrowing costs relating to acquisition and/or construction of qualifying assets are capitalized to the extent that the funds are borrowed and used for purpose of constructing a qualifying asset until the time all substantial activities necessary to prepare the qualifying assets for their intended use or sale are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs which are not related to acquisition and/or construction activities nor are incidental thereto are charged to the Statement of Profit and Loss.

### **l) Earnings per share**

#### **(i) Basic earnings per share:**

Basic earnings per share is calculated by dividing:

- a) the profit attributable to owners of the company
- b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### **(ii) Diluted earnings per share:**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- a) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and,
- b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### **m) Principles of Equity accounting**

#### **Associate**

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.



***n) Rounding of amounts***

All amounts disclosed in the financial statements and notes have been rounded off to the nearest 'Lacs' as per the requirement of Schedule III, unless otherwise stated.

**Note 2 - Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Critical estimates and judgements**

The areas involving critical estimates or judgements are:

- Estimation of fair value of financial assets & liabilities

## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Notes to Consolidated financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

#### Note 3 - Non-Current Investments

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|---|-------------------------|-------------------------|-------------------------|
| <b>Investment in Equity Instruments (Unquoted)</b><br><b>Investment in Other Equity (at FVTPL)</b><br>Sheth Shelter P.Ltd(1 fully paid up share of Rs. 100)   | 0.00                    | 0.00                    | 0.00                    |
| <b>Other Investments (at FVTPL)</b><br><b>Investment in Preference Shares</b><br>Sheth Shelter Private Ltd (4,38,400, 6% Redeemable Non-Cumulative, Non-Participating preference shares of Rs. 10/- each and Premium of Rs.190/- per share) | 876.80                  | 876.80                  | 876.80                  |
| <b>Total</b>  | <b>876.80</b>           | <b>876.80</b>           | <b>876.80</b>           |

Aggregate amount of unquoted investments 876.80 876.80 876.80

Aggregate amount of impairment in the value of investment - - -

Refer Note 14 for information on credit risk and Market risk.

#### Note 4 - Cash and cash equivalents

| Particulars                                 | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|---|-------------------------|-------------------------|-------------------------|
| Cash on Hand                                | 0.02                    | 0.03                    | 0.03                    |
| Balances with Banks:<br>In current accounts | 3.92                    | 0.64                    | 0.15                    |
| <b>Total</b>                                | <b>3.94</b>             | <b>0.67</b>             | <b>0.18</b>             |

#### Note 5 - Current Loans

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|---|-------------------------|-------------------------|-------------------------|
| <b>Unsecured, considered good</b><br>Loans to related parties- Receivable on demand | 132.12                  | 145.99                  | 1,060.99                |
| <b>Total</b>  | <b>132.12</b>           | <b>145.99</b>           | <b>1,060.99</b>         |

#### Note 6 - Other Current Assets

| Particulars      | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|------------------|-------------------------|-------------------------|-------------------------|
| Prepaid expenses | -                       | 0.09                    | -                       |
| <b>Total</b>     | <b>-</b>                | <b>0.09</b>             | <b>-</b>                |

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Consolidated financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

### Note 7 - Equity Share capital and other equity

#### 7(a) Equity share capital

##### (i) Authorised share capital

| Particulars              | Number of shares | Equity share capital |
|--------------------------|------------------|----------------------|
| As at April 01, 2016     | 2,50,000         | 25.00                |
| Increase during the year | -                | -                    |
| As at March 31, 2017     | 2,50,000         | 25.00                |
| Increase during the year | -                | -                    |
| As at March 31, 2018     | 2,50,000         | 25.00                |

##### (ii) Issued, subscribed and paid-up share capital

| Particulars              | Number of shares | Equity share capital |
|--------------------------|------------------|----------------------|
| As at April 01, 2016     | 2,40,000         | 24.00                |
| Increase during the year | -                | -                    |
| As at March 31, 2017     | 2,40,000         | 24.00                |
| Increase during the year | -                | -                    |
| As at March 31, 2018     | 2,40,000         | 24.00                |

##### (iii) Terms and rights attached to equity shares

a) The company has one class of equity share having a par value of ₹ 10/- per share. Each share is entitled to one vote.

b) In the event of the liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. However no such preferential amounts exist currently.

##### (iv) Share of the company held by holding/ultimate holding company

| Particulars                      | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|----------------------------------|----------------------|----------------------|----------------------|
| Sheth Developers Private Limited | 1,79,970             | 1,79,970             | 1,79,970             |

##### (vi) Details of shareholders holding more than 5% shares in the company

| Particulars                | As at March 31, 2018 |           | As at March 31, 2017 |           | As at April 01, 2016 |           |
|----------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|
|                            | No of Shares         | % holding | No of Shares         | % holding | No of Shares         | % holding |
| Sheth Developers Pvt. Ltd. | 1,79,970             | 74.99%    | 1,79,970             | 74.99%    | 1,79,970             | 74.99%    |

#### 7(b) Reserves and surplus

| Particulars       | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|-------------------|----------------------|----------------------|----------------------|
| Retained Earnings | 10,135.61            | 9,251.98             | 8,677.42             |
| Capital Reserve   | 982.66               | 982.66               | 982.66               |
| <b>Total</b>      | <b>11,118.27</b>     | <b>10,234.63</b>     | <b>9,660.08</b>      |

##### (i) Retained Earnings

| Particulars                                    | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|---------------------------|---------------------------|
| Opening balance                                | 9,251.98                  | 8,677.42                  |
| Net Profit / (Loss) for the year               | 882.18                    | 575.31                    |
| Items of other comprehensive income recognised | 1.46                      | (0.75)                    |
| <b>Closing balance</b>                         | <b>10,135.61</b>          | <b>9,251.98</b>           |

##### (ii) Capital Reserve

| Particulars                    | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--------------------------------|---------------------------|---------------------------|
| Opening balance                | 982.66                    | 982.66                    |
| Appropriations during the year | -                         | -                         |
| <b>Closing balance</b>         | <b>982.66</b>             | <b>982.66</b>             |

## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Notes to Consolidated financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

#### Note 8 - Short term borrowings

| Particulars                                  | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|--|-------------------------|-------------------------|-------------------------|
| <b>Unsecured, Considered good</b>            |                         |                         |                         |
| Loan from Related Party- Repayable on demand | -                       | 5.44                    | 914.34                  |
| <b>Total</b>                                 | <b>-</b>                | <b>5.44</b>             | <b>914.34</b>           |

Refer note 14 for information about liquidity risk and borrowings.

#### Note 9 - Trade Payables

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|---|-------------------------|-------------------------|-------------------------|
| Trade payable - Micro and small enterprises*            | -                       | -                       | -                       |
| Trade Payables - Other than micro and small enterprises | 0.58                    | 0.28                    | 0.44                    |
| <b>Total</b>  | <b>0.58</b>             | <b>0.28</b>             | <b>0.44</b>             |

\* Based on the information available with the Company there are no dues outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date.

Refer note 14 for information about liquidity risk and trade payables.

#### Note 10- Short term Provisions

| Particulars            | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|------------------------|-------------------------|-------------------------|-------------------------|
| Provision for Expenses | 0.23                    | 0.23                    | 0.12                    |
| <b>Total</b>           | <b>0.23</b>             | <b>0.23</b>             | <b>0.12</b>             |

#### Note 11 - Other Current Liabilities

| Particulars           | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|-----------------------|-------------------------|-------------------------|-------------------------|
| Statutory Liabilities | 0.03                    | 0.09                    | -                       |
| <b>Total</b>          | <b>0.03</b>             | <b>0.09</b>             | <b>-</b>                |

#### Note 12 - Other expenses

| Particulars                      | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
|----------------------------------|------------------------------|------------------------------|
| Advertisement Expenses           | 0.58                         | 0.88                         |
| Audit Fees                       | 0.12                         | 0.12                         |
| Legal Charges                    | 1.15                         | 1.50                         |
| Other Fees & Stamps              | 0.29                         | 0.34                         |
| Filing fees and stamping charges | 0.13                         | 0.19                         |
| Stock Exchange Listing Fees      | 2.88                         | 2.29                         |
| Bank Charges                     | 0.02                         | 0.02                         |
| Miscellaneous expenses           | 0.32                         | 0.24                         |
| <b>Total</b>                     | <b>5.49</b>                  | <b>5.57</b>                  |

## Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

### Notes to Consolidated financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

#### Note 13- Fair Value Measurement

##### a) Financial instruments classified by categories :

| Particulars                        | FVPL                    |                         |                         | Amortised cost          |                         |                         |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                    | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
| <b>Financial assets</b>            |                         |                         |                         |                         |                         |                         |
| Investment in Preference Shares    | 876.80                  | 876.80                  | 876.80                  | -                       | -                       | -                       |
| Cash and cash equivalents          | -                       | -                       | -                       | 3.94                    | 0.67                    | 0.18                    |
| Loans to related parties           | -                       | -                       | -                       | 132.12                  | 145.99                  | 1,060.99                |
| <b>Total financial assets</b>      | <b>876.80</b>           | <b>876.80</b>           | <b>876.80</b>           | <b>136.06</b>           | <b>146.66</b>           | <b>1,061.17</b>         |
| <b>Financial liabilities</b>       |                         |                         |                         |                         |                         |                         |
| Trade payables                     | -                       | -                       | -                       | 0.58                    | 0.28                    | 0.44                    |
| Borrowings                         | -                       | -                       | -                       | -                       | 5.44                    | 914.34                  |
| <b>Total financial liabilities</b> | <b>-</b>                | <b>-</b>                | <b>-</b>                | <b>0.58</b>             | <b>5.72</b>             | <b>914.78</b>           |

##### b) Financial instruments classified by hierarchy :

| As at March 31, 2018               | Notes | Level 1 | Level 2 | Level 3         | Total           |
|------------------------------------|-------|---------|---------|-----------------|-----------------|
| <b>Financial assets</b>            |       |         |         |                 |                 |
| Investment in Preference Shares    | 3     | -       | -       | 876.80          | 876.80          |
| Cash and cash equivalents          | 4     | -       | -       | 3.94            | 3.94            |
| Loans to related parties           | 5     | -       | -       | 132.12          | 132.12          |
| <b>Total Financial Assets</b>      |       | -       | -       | <b>1,012.86</b> | <b>1,012.86</b> |
| <b>Financial liabilities</b>       |       |         |         |                 |                 |
| Trade payables                     | 9     | -       | -       | 0.58            | 0.58            |
| Borrowings                         | 8     | -       | -       | -               | -               |
| <b>Total Financial liabilities</b> |       | -       | -       | <b>0.58</b>     | <b>0.58</b>     |

#### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

| As at March 31, 2017               | Notes | Level 1 | Level 2 | Level 3         | Total           |
|------------------------------------|-------|---------|---------|-----------------|-----------------|
| <b>Financial assets</b>            |       |         |         |                 |                 |
| Investment in Preference Shares    | 3     | -       | -       | 876.80          | 876.80          |
| Cash and cash equivalents          | 4     | -       | -       | 0.67            | 0.67            |
| Loans to related parties           | 5     | -       | -       | 145.99          | 145.99          |
| <b>Total Financial Assets</b>      |       | -       | -       | <b>1,023.46</b> | <b>1,023.46</b> |
| <b>Financial liabilities</b>       |       |         |         |                 |                 |
| Trade payables                     | 9     | -       | -       | 0.28            | 0.28            |
| Borrowings                         | 8     | -       | -       | 5.44            | 5.44            |
| <b>Total Financial liabilities</b> |       | -       | -       | <b>5.72</b>     | <b>5.72</b>     |

#### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

| As at March 31, 2016               | Notes | Level 1 | Level 2 | Level 3         | Total           |
|------------------------------------|-------|---------|---------|-----------------|-----------------|
| <b>Financial assets</b>            |       |         |         |                 |                 |
| Investment in Preference Shares    | 3     | -       | -       | 876.80          | 876.80          |
| Cash and cash equivalents          | 4     | -       | -       | 0.67            | 0.67            |
| Loans to related parties           | 5     | -       | -       | 145.99          | 145.99          |
| <b>Total Financial Assets</b>      |       | -       | -       | <b>1,023.46</b> | <b>1,023.46</b> |
| <b>Financial liabilities</b>       |       |         |         |                 |                 |
| Trade payables                     | 9     | -       | -       | 0.44            | 0.44            |
| Borrowings                         | 8     | -       | -       | 914.34          | 914.34          |
| <b>Total Financial liabilities</b> |       | -       | -       | <b>914.78</b>   | <b>914.78</b>   |

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Consolidated financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

### The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data

### Valuation processes

1. The main level 3 inputs used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.
- The carrying amounts of trade payables, current borrowings, cash and cash equivalents and loan to related parties (repayable on demand) are considered to be the same as their fair values, due to their short-term nature. This is classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

#### a) Fair value measurement using significant unobservable inputs (Level 3)

| Particulars                     | As at          | As at          | As at          |
|---------------------------------|----------------|----------------|----------------|
|                                 | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Investment in Preference Shares | 876.80         | 876.80         | 876.80         |
| <b>Total Financial Assets</b>   | <b>876.80</b>  | <b>876.80</b>  | <b>876.80</b>  |

#### b) Fair value of financial assets and liabilities measured at amortised cost

| Particulars               | As at         |               | As at March 31, 2017 |               | As at April 1, 2016 |                 |
|---------------------------|---------------|---------------|----------------------|---------------|---------------------|-----------------|
|                           | Fair value    | Carrying Cost | Fair value           | Carrying Cost | Fair value          | Carrying Cost   |
| <b>Financial assets</b>   |               |               |                      |               |                     |                 |
| Cash and cash equivalents | 3.95          | 3.95          | 0.67                 | 0.67          | 0.18                | 0.18            |
|                           | 132.12        | 132.12        | 145.99               | 145.99        | 1,060.99            | 1,060.99        |
|                           | <b>136.07</b> | <b>136.07</b> | <b>146.66</b>        | <b>146.66</b> | <b>1,061.17</b>     | <b>1,061.17</b> |
|                           | 0.58          | 0.58          | 0.28                 | 0.28          | 0.44                | 0.44            |
|                           | -             | -             | 5.44                 | 5.44          | 914.34              | 914.34          |
|                           | <b>0.58</b>   | <b>0.58</b>   | <b>5.72</b>          | <b>5.72</b>   | <b>914.78</b>       | <b>914.78</b>   |

## **Precious Trading and Investments Limited**

[CIN : L51900MH1983PLC029176]

### **Notes to Consolidated financial statements (Continued...)**

#### **Note 14 - Financial risk management**

The company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

##### **(a) Credit risk :-**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed.

The company has provided loans to related parties where there is no risk of default hence, its exposure to credit risk is immaterial.

##### **(b) Market risk**

###### **(i) Foreign Currency Risk :-**

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (i.e. INR).

The company has no transactions in foreign currency hence the foreign currency risk exposure is Nil.

###### **(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest

The company has no borrowings bearing floating rate of interest. Hence, the exposure to interest rate risk is Nil.

##### **(c) Liquidity risk :-**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities.

The Company has taken all of its borrowings from related parties. Hence, the liquidity risk is immaterial for the company.

#### **Note 15 - Capital Management**

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from external parties such as banks or financial institutions. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain shareholder, creditor and stakeholder confidence to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Consolidated financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

### Note 16 - Related Party Transactions

#### A. Name of related Parties and nature of relationship :

(i) Where control exists :

| Nature of Relationship  | Entity Name                                       |
|---|---|
| Holding Company   | Sheth Developers Private Limited                  |
| Related party<br>(Companies where Director is a director or member) | Sheth Shelters Private Limited                    |
|   | Sheth Realcon Ventures Private Limited            |
|   | Sheth Infrastructure Private Limited              |
|   | Sheth Estate (International) Limited              |
|   | Sheth Shelters Private Limited                    |
|   | Sheth Realcon Ventures Private Limited            |
|   | Sheth Building Materials Private Limited          |
|   | Laxmiprabha Impex and Investments Private Limited |
|   | Sheth Corp Private Limited                        |
|   | Sheth Infracity Private Limited                   |
|   | Sheth Lifestyles Private Limited                  |
|   | Sheth Dreamhomes Private Limited                  |
|   | Sheth Infracity Private Limited                   |
|   | Sheth Universal Private Limited                   |
|   | Sheth Realty (India) Private Limited              |
|   | Sheth Smarthomes Private Limited                  |
|   | Sheth Aviation Private Limited                    |
|   | Sheth Development Private Limited                 |
|   | Sheth Holdings (India) Private Limited            |
|   | Sheth Homes Private Limited                       |
|   | Sheth Infra Estate Private Limited                |
|   | Alpha Business Consultants Private Limited        |
|   | Viviana Malls Private Limited                     |
|   | Sheth Buildwell Private Limited                   |
|   | Sheth Creators and Constructors Private Limited   |
|   | Sheth Creators and Holdings Private Limited       |
| Sheth Creators and Homemakers Private Limited                       |   |
| Sheth Creators and Planners Private Limited                         |   |
| Sheth Creators and Promoters Private Limited                        |   |
| Sheth Realtors and Holdings Private Limited                         |   |
| Sheth Heights Private Limited                                       |   |
| Neepa Real Estates Private Limited                                  |   |
| Transcon - Sheth Creators Private Limited                           |   |
| Related Party<br>(LLP where director is a partner)                  | Lohitka Properties LLP                            |
|   | Sanjeevani Vyaapar LLP                            |
|   | Sheth Adobe LLP                                   |
|   | Sheth Real Projects LLP                           |

(ii) Director and Key Managerial Personnel :

|                                 |   |
|---------------------------------|---|
| Director/Key Managerial Persons | Mr. Ashwin N. Sheth<br>Mr . Jitendra N. Sheth<br>Mr. vallabh N. Sheth |
|---------------------------------|---|

#### B. Key Management Personnel compensation

| For the year ended 31 March 2018 | Short-term employee benefits | Post-employment benefits | Long-term employee benefits | Share based payments | Termination benefit | Total |
|----------------------------------|------------------------------|--------------------------|-----------------------------|----------------------|---------------------|-------|
| Mr. Ashwin N. Sheth              | -                            | -                        | -                           | -                    | -                   | -     |

| For the year ended 31 March 2017 | Short-term employee benefits | Post-employment benefits | Long-term employee benefits | Share based payments | Termination benefit | Total |
|----------------------------------|------------------------------|--------------------------|-----------------------------|----------------------|---------------------|-------|
| Mr. Ashwin N. Sheth              | -                            | -                        | -                           | -                    | -                   | -     |





**Precious Trading and Investments Limited**  
**Notes to the Consolidated financial statements**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 17 - Earnings per share**

| Particulars  | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
|--|------------------------------|------------------------------|
| <b>(a) Basic and diluted earnings per share</b>  |                              |                              |
| Profit attributable to the equity holders of the Company   | 8,82,17,687.80               | 5,75,30,564.20               |
| Total basic earnings per share attributable to the equity holders of the Company (In ₹)                              | <b>367.57</b>                | <b>239.71</b>                |
| <b>(b) Weighted average number of shares used as the denominator</b>   |                              |                              |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share | 2,40,000                     | 2,40,000                     |

**Note 18 - Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz investment activities. Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". All of the operations of the company are in India hence, there is no geographical segment. Also, none of the segment has reportable revenue of more than 10%.

**Note 19- Contingent Liability**

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.

**Note 20- Interest in Other entities**

**Interests in associates**

The company holds 26.01% equity stake in Sheth Developers & Realtors (India) Limited. The company's country of incorporation or registration and principal place of business is India. The proportion of ownership interest is the same as the proportion of voting rights held. The investment is accounted for using Equity method and the carrying values are as under:

|                | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|----------------|-------------------------|-------------------------|-------------------------|
| Carrying value | 10,130.25               | 9,241.12                | 8,661.00                |

**Summarised financial information**

|                         | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 01, 2016 |
|-------------------------|-------------------------|-------------------------|-------------------------|
| Current assets          | 6,517.53                | 3,881.88                | 11,921.09               |
| Non current assets      | 79,935.98               | 80,238.44               | 82,375.44               |
| Current liabilities     | 8,834.12                | 12,923.65               | 20,543.81               |
| Non-current liabilities | 38,671.86               | 35,667.54               | 40,453.97               |
| <b>Net Assets</b>       | <b>38,947.53</b>        | <b>35,529.13</b>        | <b>33,298.75</b>        |

|                                 | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
|---------------------------------|------------------------------|------------------------------|
| Revenue                         | 15822.47                     | 14927.94                     |
| Share of profits from associate | 889.12584                    | 580.12                       |

**Reconciliation to carrying amounts**

|                            | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
|----------------------------|------------------------------|------------------------------|
| Opening net assets         | 35,529.13                    | 33,298.75                    |
| Profit for the year        | 3,412.78                     | 2,233.27                     |
| Other comprehensive income | 5.62                         | (2.89)                       |
| <b>Closing net assets</b>  | <b>38,947.53</b>             | <b>35,529.13</b>             |

**Additional Information Required by Schedule III**

| Name of the entity                                     | Net assets | Share in Profits | Share in OCI | Share in TCI |
|--|------------|------------------|--------------|--------------|
| <i>Precious Trading and Investments Limited</i>        |            |                  |              |              |
| March 31, 2018   | 1,012.02   | 882.18           | 1.46         | 883.64       |
| March 31, 2017   | 1,017.50   | 575.31           | (0.75)       | 574.56       |
| <i>Sheth Developers &amp; Realtors (India) Limited</i> |            |                  |              |              |
| March 31, 2018   | 10,130.25  | 887.66           | 1.46         | 889.13       |
| March 31, 2017   | 9,241.13   | 580.87           | (0.75)       | 580.12       |
| <b>Closing net assets</b>                              |            |                  |              |              |

# Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

## Notes to Consolidated financial statements (Continued...)

### Note 21 - First-time adoption of Ind AS

#### Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### (A) Exemptions & exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### (a) Ind AS optional exemptions

###### (i) previous GAAP carrying amount at that date.

Accordingly, the company has elected to apply this exemption and investment( i.e. in Equity Instruments) in associate is carried at its previous GAAP carrying amount.

##### (b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

###### (i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL or FVOCI;
- Investment in debt instruments carried at FVPL

###### (ii) Classification and measurement of financial assets

As required under Ind AS 101 the company has assessed the classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

#### Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS. The presentation requirements under previous GAAP differs from and hence the previous GAAP information has been restated for ease of reconciliation with Ind AS.

#### Reconciliation of total equity as at 31 March 2017 and 1 April 2016

|   | Notes to first time adoption | As at March 31, 2017 | As at April 01, 2016 |
|---|------------------------------|----------------------|----------------------|
| Total equity (shareholder's funds) as per previous GAAP |                              | 9,515.24             | 8,801.74             |
| <u>Adjustments:</u>                                     |                              |                      |                      |
| Equity pick up of Associate under Ind AS                |                              | 743.39               | 882.33               |
| Total adjustments                                       |                              | 743.39               | 882.33               |
| Total equity as per Ind AS                              |                              | <b>10,258.63</b>     | <b>9,684.08</b>      |

#### Reconciliation of total comprehensive income as at 31 March 2017

|  | Notes to first time adoption | As at March 31, 2017 |
|--|------------------------------|----------------------|
| Profit after tax as per previous GAAP                    |                              | (5.57)               |
| <u>Adjustments:</u>                                      |                              |                      |
| Profit pick up of Associate under Ind AS (including OCI) |                              | 580.12               |
| Total adjustments  |                              | 580.12               |
| Total comprehensive income as per Ind AS                 |                              | <b>574.55</b>        |

#### Notes to first-time adoption:

##### Note 1: Equity accounting of associate

Due to Ind AS adjustments in the standalone financial statements of associate, total Equity as at 31st March 2017 has increased by INR 743.39 lakhs (1st April 2016: INR 882.33 lakhs) and Profit for the year ended 31st March 2017 has increased by INR 580.12 lakhs.

(To be presented at the entrance)

|  |  |
|--|--|
|  |  |
|  |  |
|  |  |
|  |  |

I/We hereby record my/our presence at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 2.00 p.m. at 3<sup>rd</sup> Floor, Prius Infinity, Paranjape 'B' Scheme, Subhash Road, Vile Parle (East), Mumbai - 400057

\_\_\_\_\_  
First/Sole Holder/Proxy

\_\_\_\_\_  
Second Holder/Proxy

\_\_\_\_\_  
Third Holder/Proxy

-----

|  |  |
|--|--|
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

I/We of being a Member /Members of \_\_\_\_\_ Shares of the above named Company hereby appoint:

1. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_ Signature \_\_\_\_\_

or falling him/her

2. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

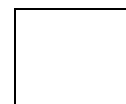
\_\_\_\_\_ Signature \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 2:00 p.m. at 3<sup>rd</sup> Floor, Prius Infinity, Paranjape 'B' Scheme, Subhash Road, Vile parle (East), Mumbai - 400057 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

|    |   |
|----|---|
|    |   |
|    |   |
| 1. | Adoption of Standalone and Consolidated Financial Statements and reports thereon for the year ended 31 <sup>st</sup> March, 2018.     |
| 2. | Re-appointment of Mr. Jitendra N. Sheth as a Director who retires by rotation.  |
|    |   |
| 3. | Approval for limits for the Loans/Guarantee/Security by the Company in terms of provisions of Section 185 of the Companies Act, 2013. |

Signed this \_\_\_\_ day of \_\_\_\_\_ 2018

.....  
 Signature of the shareholder



Signature of proxy holder(s)

## Route map to the Venue of the AGM

**Venue** : 3<sup>rd</sup> Floor, Prius Infinity, Paranjpe B Scheme, Subhash Road, Vile Parle (East), Mumbai 400057

**Landmark** : Behind Garware House

