

PARAG SHILPA INVESTMENTS LIMITED

25TH

ANNUAL REPORT

- 2006 - 2007

Regd. Office :

VIKAS, 11, BANK STREET, MUMBAI 400 023

PARAG SHILPA INVESTMENTS LIMITED

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Company will be held on the 14th day of September 2007, at Vikas, 11, Bank Street, Mumbai 400 023 at 3:30 p.m. to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and the Profit and Loss Account for the year ended as on that date and the Report of the Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. Rajnikant F. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint M/s Patel Dalal & Associates, Chartered Accountants, the retiring auditors of the company, as Auditors, until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

- 4) To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Pankaj R. Pandya who was appointed as an Additional Director of the Company by the Board of Directors to hold the office up to the ensuing Annual General Meeting as per section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation."

- 5) To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution :

“RESOLVED THAT Mr. Shreyas Patel who was appointed as an Additional Director of the Company by the Board of Directors to hold the office up to the ensuing Annual General Meeting as per section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation.”

By Order of the Board of Directors,



Rajnikant F. Shah
Chairman

Mumbai, 25th August 2007

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE MEMBER OF THE COMPANY. Proxies in order to be effective must be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
- b) The relative Explanatory statements pursuant to section 173 (2) of the Companies Act, 1956, in respect of the Special business is attached hereto.
- c) The Register of Members and Transfer Books of the Company will be closed from 7th September 2007 and will remain closed till 14th September 2007 (both days inclusive).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 :

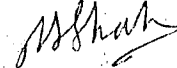
Item nos. 4

Mr. Pankaj R. Pandya was co-opted as Additional Directors of the Company with effect from 18th April 2007, pursuant to section 260 of the Companies Act, 1956. They hold the office of Director upto the date of ensuing AGM. The Company has received notices in writing proposing the candidatures of Mr. Pankaj R. Pandya for the office of director under the provisions of section 257 of the Companies Act, 1956. He has vast experience of nearly 24 years varied industrial disciplines such as Investment industry. His wide experience in various field is an asset for the development of the company's business. Your directors recommend the resolution as set out in item no. 4 of the notice for your approval. Mr. Pankaj R. Pandya shall be deemed to be interested to the extend of his appointment.

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By Order of the Board of Directors,



Rajnikant F. Shah
Chairman

Mumbai, 25th August 2007.

PARAG SHILPA INVESTMENTS LIMITED

DIRECTOR'S REPORT

To,
The Members,

Your Directors are pleased to present the Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS :

The performance of the Company for the financial year ended 31st March 2006 is summarized below :

	(Figures in Rs.)	
	2006 – 07	2005 – 06
Loss before Tax	26,200	1,03,378
Less : Provision for Tax	-	-
	-----	-----
	26,200	1,03,378
Less : Balance Brought forward	1,928,408	2,031,786
	-----	-----
Balance carried to Balance Sheet	1,902,208	1,928,408
	=====	=====

OPERATIONS :

During the Year the Company made a loss of Rs.26,200/- (Previous year Loss Rs.1,03,378/-). Your Directors have not recommended any dividend on Equity shares for the financial year under review.

DIVIDEND :

In view of loss incurred by the Company during the year ended 31st March 2007. Your Directors do not recommend any Dividend for the year under review.

PARTICULARS OF EMPLOYEES :

There are no employees drawing salaries in excess of the limit provided in the Section 217 (2A) of the Companies Act, 1956 and hence no information for the same, for the year ended 31st March, 2007.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, the Directors' confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2007 and of the loss of the Company for the year ended 31st March, 2007;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

DIRECTOR :

Mr. Pankaj R. Pandya and Mr. Shreyas Patel were appointed as Additional Director of the Company with effect from 18th April 2006 to hold office up to the date of ensuing Annual General Meeting.

Mr. Navin Chokshi, Mr. Arun Gopale and Mr. Mahavir P. Agarwal resigned as Director of the Company at the Board meeting of the Company held on 19th April 2006.

Mr. Rajnikant F. Shah, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

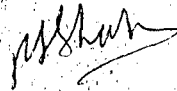
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS\ OUTGO:**

Information in accordance with the provisions of Section 217(1)(e) of the companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 regarding conservation of energy and technology absorption are not applicable as the Company has not undertaken any manufacturing activity. There were no foreign exchange earning or outgo during the year under review.

AUDITORS :

At the Annual General Meeting, M/s. Patel Dalal & Associates, Chartered Accountants retires and they have given the certificate of their eligibility for reappointment as the Company's Auditor.

For Parag Shilpa Investments Limited



Rajnikant F. Shah
Chairman

Date : 25th August 2007
Place : Mumbai

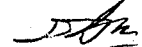
PARAG SHILPA INVESTMENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULE	As At 31.3.2007 (RUPEES)	As At 31.3.2006 (RUPEES)
SOURCES OF FUNDS :			
SHAREHOLDERS FUNDS			
Share Capital	A	2,400,000	2,400,000
Reserves & Surplus	B	1,902,208	1,928,408
LOAN FUNDS			
Unsecured Loans	C	278,513	267,313
TOTAL		4,580,721	4,595,721
APPLICATION OF FUNDS			
CURRENT ASSETS LOANS & ADVANCES			
Current Assets	D		
Cash & Bank Balances		7,757	7,757
Loans & Advances		4,927,574	4,927,574
		4,935,331	4,935,331
Less:			
CURRENT LIABILITIES & PROVISIONS :			
Current Liabilities	E	59,910	44,910
Provisions		294,700	294,700
		354,610	339,610
NET CURRENT ASSET		4,580,721	4,595,721
TOTAL		4,580,721	4,595,721

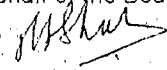
NOTES TO THE ACCOUNTS F

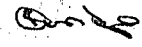
As per my attached Report of even date
For Patel Dalal & Associates
Chartered Accountants


J. D. Patel
Partner
Membership No: 34518

Place : Mumbai
Date: 25th August 2007

For and on Behalf of the Board


Rajnikant F. Shah
Director


Pankaj R. Pandya
Director

Place : Mumbai
Date: 25th August 2007

PARAG SHILPA INVESTMENTS LIMITED


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	SCHEDULE	2006 - 07 (RUPEES)	2005 - 06 (RUPEES)
Income			
Interest income		0	0
	TOTAL	0	0
Expenditure			
Rate & Taxes		0	1,600
Listing & Filing Fees		11,200	62,500
Audit Fees		15,000	15,000
Legal & Professional Fees		0	24,183
Bank Charges		0	95
	TOTAL	26,200	103,378
LOSS BEFORE TAX		(26,200)	(103,378)
Less: Provision for Income Tax		0	0
		(26,200)	(103,378)
Profit brought forward from previous year		1,928,408	2,031,786
Balance carried to Balance Sheet		1,902,208	1,928,408
Basic and Diluted Earning per share		(0.11)	(0.43)

NOTES TO THE ACCOUNTS

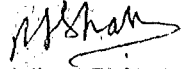
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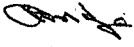
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For and on Behalf of the Board


Rajnikant F. Shah
Director


Pankaj R. Pandya
Director

Place : Mumbai
Date: 25th August 2007

PARAG SHILPA INVESTMENTS LIMITED

Schedules forming part of Balance sheet as at 31st march 2007

	As at 31.3.2007 (RUPEES)	As at 31.3.2006 (RUPEES)
SCHEDULE 'A'		
SHARE CAPITAL:		
<u>Authorised:</u>		
2,50,000 Equity shares of Rs. 10/- each	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>
<u>Issued, Subscribed and Paid up:</u>		
2,40,000 Equity shares of Rs. 10/- each	2,400,000	2,400,000
	<u>2,400,000</u>	<u>2,400,000</u>
SCHEDULE 'B'		
<u>RESERVES AND SURPLUS:</u>		
Profit & Loss Account	1,902,208	1,928,408
	<u>1,902,208</u>	<u>1,928,408</u>
SCHEDULE 'C'		
<u>UNSECURED LOANS :</u>		
From Director	142,883	131,683
From Body Corporate	125,630	125,630
Others	10,000	10,000
	<u>278,513</u>	<u>267,313</u>

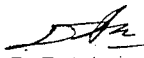
	As at 31.3.2007 (RUPEES)	As at 31.3.2006 (RUPEES)	
Schedule 'D'			
Current			
Current Assets, Loans and advances			
Current Assets			
Cash and Bank balances:			
Cash on Hand	373	373	
Bank Balances with scheduled Banks in Current Accounts	7,384	7,757	7,384 7,757
	<u>7,384</u>	<u>7,757</u>	
Loans and Advances			
Unsecured - (Considered Good):			
Advance recoverable in cash or in kind or for value to be received	4,633,769	4,633,769	
Advance Payment of Taxes	107,853	107,853	
Tax Deducted at source	185,952	185,952	4,927,574 4,927,574
	<u>4,927,574</u>	<u>4,927,574</u>	
TOTAL	<u><u>4,935,331</u></u>	<u><u>4,935,331</u></u>	
Schedule 'E'			
Current Liabilities & Provisions:			
Current Liabilities			
Sundry Creditors for Expenses	59,910	44,910	
Other Liabilities	0	0	
	<u>59,910</u>	<u>44,910</u>	
Provisions			
Provisions for Taxation	294,700	294,700	
	<u>294,700</u>	<u>294,700</u>	
	<u><u>354,610</u></u>	<u><u>339,610</u></u>	

PARAG SHILPA INVESTMENTS LIMITED

**Cash Flow Statement Annexed to the Balance Sheet for
Period April 2006 to March 2007**

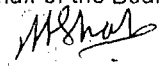
	(Rs. in thousand)	
	2006-07	2005-06
A. CASH FLOW FROM OPERATION ACTIVITIES		
NET PROFIT/(LOSS) AFTER TAX	-26	-103
Adjusted for:		
Provision for Taxation	0	0
Interest Income	0	0
Operating (Loss) before working capital changes	-26	-103
Adjusted for:		
Trade and other receivables	0	0
Trade payables	15	15
Cash generated from operations	-11	-88
Taxes paid	0	0
Net Cash from operating activities	-11	-88
 B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	0	0
 C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term borrowings	11	87
 Net Increase/(Decrease) in Cash and Cash equivalents	0	-1
Opening Balance of Cash and Cash equivalents	8	9
Closing Balance of Cash and Cash equivalents	8	8

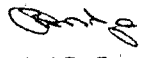
As per our Report of even date
For Patel Dalal & Associates
Chartered Accountants


J. D. Patel
Partner
Membership No: 34518

Place : Mumbai
Date: 25th August 2007

For and on Behalf of the Board


Rajnikant F. Shah
Director


Pankaj R. Pandya
Director

PARAG SHILPA INVESTMENTS LIMITED

NOTES TO ACCOUNTS
SCHEDULE F

2006-07

(1.) Significant Accounting Policies:

- a. Basis of preparation of Financial statements
The financial statements are prepared under the historical cost convention in accordance with the normally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- b. Provision for Current and Deferred Tax
Provision for current Income Tax is made on the taxable income under the Income Tax Act, 1961. Deferred tax assets is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.
2. The Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.
3. As no manufacturing activities were carried out during the year, information required under para 3 and 4 of Part II of Schedule VI of Companies Act, 1956 is not given.
4. As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, there are no related party transaction during the year 2005-06.
5. Additional information as required under part IV of Schedule VI to the companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

REGISTRATION NO. 27146
STATE CODE 011
BALANCE SHEET DATE 31-03-2007.

Capital raised during the year (Amount in Rs. thousands)

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

Position of Mobilisation and Deployment of Funds
(Amounts in Rs. Thousands)

Total Liabilities	Total Assets
4,581	4,581

Source of Funds:

Paid Up Capital	Reserves and Surplus
2,400	1,902
Unsecured Loans	
279	

Application of Funds:

Net Current Assets
4,581

Performance of Company (Amounts in Rs. thousands)

Total Income	Total Expenditure
0	26
Loss before Tax	Loss after Tax
26	26
Earnings per Share in Rs.	Dividend %
-.10	NIL

Generic names of Three Principal Products/Services of Company. (as per Monetary terms)

Item Code No. (ITC code)

N.A.

Product Description

N.A.

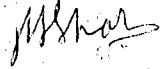
Signatures to Schedule 'A' to 'F'

As per our report of even date attached

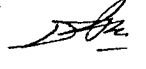
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For Patel Dalal & Associates

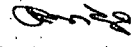
Chartered Accountants


Rajnikant F. Shah

Chairman


J. D. Patel

Partner


Pankaj R. Pandya

Director

Membership no: 31518

PLACE : Mumbai

DATE : 25th August 2007

PARAG SHILPA INVESTMENTS LIMITED

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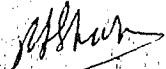
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DIRECTOR :

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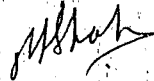
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AUDITORS :

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For Parag Shilpa Investments Limited



Rajnikant F. Shah
Chairman

Date : 25th August 2007
Place : Mumbai

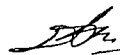
PARAG SHILPA INVESTMENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULE	As At 31.3.2007 (RUPEES)	As At 31.3.2006 (RUPEES)
SOURCES OF FUNDS :			
SHAREHOLDERS FUNDS			
Share Capital	A	2,400,000	2,400,000
Reserves & Surplus	B	1,902,208	1,928,408
LOAN FUNDS			
Unsecured Loans	C	278,513	267,313
	TOTAL	4,580,721	4,595,721
APPLICATION OF FUNDS			
CURRENT ASSETS LOANS & ADVANCES			
Current Assets	D		
Cash & Bank Balances		7,757	7,757
Loans & Advances		4,927,574	4,927,574
		4,935,331	4,935,331
Less:			
CURRENT LIABILITIES & PROVISIONS :			
Current Liabilities	E	59,910	44,910
Provisions		294,700	294,700
		354,610	339,610
NET CURRENT ASSET		4,580,721	4,595,721
	TOTAL	4,580,721	4,595,721

NOTES TO THE ACCOUNTS F

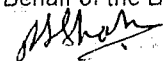
As per my attached Report of even date
For Patel Dalal & Associates
Chartered Accountants



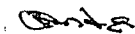
J. D. Patel
Partner
Membership No: 34518

Place : Mumbai
Date: 25th August 2007

For and on Behalf of the Board



Rajnikant F. Shah
Director



Pankaj R. Pandya
Director

Place : Mumbai
Date: 25th August 2007

PARAG SHILPA INVESTMENTS LIMITED

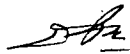
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	SCHEDULE	2006 - 07 (RUPEES)	2005 - 06 (RUPEES)
Income			
Interest income		0	0
	TOTAL	0	0
Expenditure			
Rate & Taxes		0	1,600
Listing & Filing Fees		11,200	62,500
Audit Fees		15,000	15,000
Legal & Professional Fees		0	24,183
Bank Charges		0	95
	TOTAL	26,200	103,378
LOSS BEFORE TAX		(26,200)	(103,378)
Less: Provision for Income Tax		0	0
		(26,200)	(103,378)
Profit brought forward from previous year		1,928,408	2,031,786
Balance carried to Balance Sheet.		1,902,208	1,928,408
Basic and Diluted Earning per share		(0.11)	(0.43)

NOTES TO THE ACCOUNTS

F

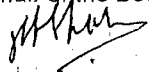
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Chartered Accountants

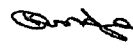


J. D. Patel
Partner
Membership No: 34518

Place : Mumbai
Date: 25th August 2007

For and on Behalf of the Board


Rajnikant F. Shah
Director


Pankaj R. Pandya
Director

Place : Mumbai
Date: 25th August 2007

PARAG SHILPA INVESTMENTS LIMITED

Schedules forming part of Balance sheet as at 31st march 2007

	As at 31.3.2007 (RUPEES)	As at 31.3.2006 (RUPEES)
SCHEDULE 'A'		
SHARE CAPITAL:		
<u>Authorised:</u>		
2,50,000 Equity shares of Rs.10/- each	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>
<u>Issued, Subscribed and Paid up:</u>		
2,40,000 Equity shares of Rs.10/- each	2,400,000	2,400,000
	<u>2,400,000</u>	<u>2,400,000</u>
SCHEDULE 'B'		
<u>RESERVES AND SURPLUS:</u>		
Profit & Loss Account	1,902,208	1,928,408
	<u>1,902,208</u>	<u>1,928,408</u>
SCHEDULE 'C'		
<u>UNSECURED LOANS :</u>		
From Director	142,883	131,683
From Body Corporate	125,630	125,630
Others	10,000	10,000
	<u>278,513</u>	<u>267,313</u>

	As at 31.3.2007 (RUPEES)	As at 31.3.2006 (RUPEES)	
Schedule 'D'			
Current			
Current Assets, Loans and advances			
Current Assets			
Cash and Bank balances:			
Cash on Hand	373	373	
Bank Balances with scheduled Banks in Current Accounts	7,384	7,384	7,757
	<u>7,384</u>	<u>7,757</u>	
Loans and Advances			
Unsecured - (Considered Good):			
Advance recoverable in cash or in kind or for value to be received	4,633,769	4,633,769	
Advance Payment of Taxes	107,853	107,853	
Tax Deducted at source	185,952	185,952	4,927,574
	<u>4,927,574</u>	<u>4,927,574</u>	
TOTAL	<u><u>4,935,331</u></u>	<u><u>4,935,331</u></u>	
Schedule 'E'			
Current Liabilities & Provisions:			
Current Liabilities			
Sundry Creditors for Expenses	59,910	44,910	
Other Liabilities	0	0	
Provisions			
Provisions for Taxation	294,700	294,700	
	<u>354,610</u>	<u>339,610</u>	

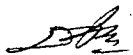
PARAG SHILPA INVESTMENTS LIMITED

**Cash Flow Statement Annexed to the Balance Sheet for
Period April 2006 to March 2007**

(Rs. in thousand)

	2006-07	2005-06
A. CASH FLOW FROM OPERATION ACTIVITIES		
NET PROFIT/(LOSS) AFTER TAX	-26	-103
Adjusted for:		
Provision for Taxation	0	0
Interest Income	0	0
Operating (Loss) before working capital changes	-26	-103
Adjusted for:		
Trade and other receivables	0	0
Trade payables	15	15
Cash generated from operations	-11	-88
Taxes paid	0	0
Net Cash from operating activities	-11	-88
 B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	0	0
 C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term borrowings	11	87
 Net Increase/(Decrease) in Cash and Cash equivalents	0	-1
Opening Balance of Cash and Cash equivalents	8	9
Closing Balance of Cash and Cash equivalents	8	8

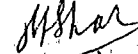
As per our Report of even date
For Patel Dalal & Associates
Chartered Accountants



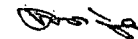
J. D. Patel
Partner
Membership No: 34518

Place : Mumbai
Date: 25th August 2007

For and on Behalf of the Board



Rajnikant F. Shah
Director



Pankaj R. Pandya
Director

PARAG SHILPA INVESTMENTS LIMITED

NOTES TO ACCOUNTS
SCHEBULE F

2006-07

(1.) Significant Accounting Policies:

- a. Basis of preparation of Financial statements
The financial statements are prepared under the historical cost convention in accordance with the normally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- b. Provision for Current and Deferred Tax
Provision for current Income Tax is made on the taxable income under the Income Tax Act, 1961. Deferred tax assets is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.
2. The Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.
3. As no manufacturing activities were carried out during the year, information required under para 3 and 4 of Part II of Schedule VI of Companies Act, 1956 is not given.
4. As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, there are no related party transaction during the year 2005-06.
5. Additional information as required under part IV of Schedule VI to the companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

REGISTRATION NO.	27146
STATE CODE	011
BALANCE SHEET DATE	31-03-2007

Capital raised during the year (Amount in Rs. thousands)

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

Position of Mobilisation and Deployment of Funds
(Amounts in Rs.Thousands)

Total Liabilities	Total Assets
4,581	4,581

Source of Funds:

Paid Up Capital	Reserves and Surplus
2,400	1,902
Unsecured Loans	
279	

Application of Funds:

Net Current Assets
4,581

Performance of Company (Amounts in Rs. thousands)

Total Income	Total Expenditure
0	26
Loss before Tax	Loss after Tax
26	26
Earnings per Share in Rs.	Dividend %
-.10	NIL


Generic names of Three Principal Products/Services of Company (as per Monetary terms)

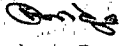
Item Code No. (ITC code) N.A.


Product Description N.A.

Signatures to Schedule 'A' to 'F'
As per our report of even date attached
For Patel Dalal & Associates
Chartered Accountants

For and on behalf of the Board


Rajnikant F. Shah
Chairman


Pankaj R. Pandya
Director


J. D. Patel
Partner

Membership no: 31518

PLACE : Mumbai

DATE : 25th August 2007