

PARAG SHILPA INVESTMENT LIMITED

Regd. Off. : B-3 Ganesh Bhuvan, South Pond Road Vile Parle (West), Mumbai 400056 Tel.: 2613 2942 Email: info@paragshilpa.com

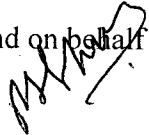
NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members of the Company will be held on the 30th day of September 2011, at B-3, Ganesh Bhuvan, South Pond Road, Vile Parle West, Mumbai – 400 056 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 2011 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. Pankaj Pandya, 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.

For and on behalf of the Board of Directors,


Rajnikant F. Shah
Chairman & Managing Director

Mumbai, 2nd September, 2011

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 Register of Members and Transfer Books of the Company will be closed from 24th September 2011 and will remain closed till 30th September 2011 (both days inclusive).

For and on behalf of the Board of Directors,


Rajnikant F. Shah
Chairman & Managing Director

Mumbai, 2nd September, 2011

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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, 2011.

FINANCIAL RESULTS:

The performance of the Company for the financial year ended 31st March, 2011 is summarized below:

(Figures in Rs.)

	2010-2011	2009-2010
Loss before Tax	25200	15222
Less: Provision for Tax	--	--
Loss after Tax	25200	15222
Less: Balance Brought forward	1856726	1871948
Balance carried to Balance Sheet	1831526	1856726

OPERATIONS:

During the Year the Company made a loss of Rs.25,200/- (Previous year Loss Rs.15222/-).

DIVIDEND:

In view of loss incurred by the Company during the year ended 31st March, 2011. 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, 2008.

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 judgments 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, 2011 and of the loss of the Company for the year ended 31st March, 2011;

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-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 RETIRING BY ROTATION:

Mr. Pankaj Pandya Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

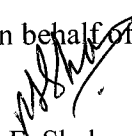
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS / OUTGO

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 and on behalf of the Board of Directors


Rajnikant F. Shah
Chairman & Managing Director

Mumbai, 2nd September, 2011

PATEL DALAL & ASSOCIATES

CHARTERED ACCOUNTANTS

B-204, Samarath appt, Jawahar nagar

Opp. Municipal Market, Road no-1,

Goregoan (West)

Mumbai 400 062.

Tel: 2872 6421-2872 0285

AUDITORS' REPORT

To,
The Members of Parag Shilpa Investments Limited

We have audited the attached Balance Sheet of **Parag Shilpa Investments Limited** as at 31st March 2011, the Profit & Loss Account of the Company for the financial year ended on that date and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.


1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, and also evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 and amended by Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit;
 - (b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;
 - (d) In our opinion the Balance Sheet, Profit and Loss account and Cash Flow Statement comply with the requirements of the mandatory accounting standards referred in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representation received from all the directors, we report that none of the directors are disqualified as on 31st March, 2011 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) **The company has not complied with the Accounting Standard 22 (AS 22) issued by the Institute of Chartered Accountants of India in respect of accounting for taxes on Income and further its effect on profit and Loss account and Balance Sheet has not been ascertained by the Company.**
 - (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to (f) above and read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give



a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In so far as it relates to balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- ii. In so far as it relates to the Profit and Loss Account, of the "Loss" of the Company for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Patel Dalal & Associates**
Chartered Accountants
Firm Regn. No: 126328W



Jitendra.D.Patel
Partner
Membership No: 34518



Mumbai
Dated: 2nd September, 2011.

PATEL DALAL & ASSOCIATES

CHARTERED ACCOUNTANTS

B-204,, Samarath apt.,Jawaharnagar
Opp. Municipal Market, Road no-1,
Goregoan (West)
Mumbai 400 062.
Tel: 2872 6421-2872 0285

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 2 of our report of even date

1. As the Company had no fixed assets during the year the relevant clauses of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
2. As the Company had no inventories during the year and the Company has not carried out any manufacturing and/or trading activity, clauses 4(ii) and (viii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
3. According to the information and explanation given to us, the Company has not granted or taken any loan, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, and hence the provisions of clause 4(iii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
4. The Company has no internal audit system. However, during the course of our audit, we have not observed any major weaknesses in internal control.
5. There are no transactions made in pursuance of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
7. According to the information and explanation given to us and the records of the Company examined by us the Company there were no liability of depositing any statutory dues during the year.
8. According to the information and explanations given to us, no undisputed dues payable in respect of income-tax, sales-tax, wealth-tax, customs duty and cess were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
9. The financial statements of the Company as on 31st March, 2011 do not shows accumulated losses. However, the Company has incurred a cash loss of Rs.25,200/- during the financial year covered by our report.
10. There are no borrowings from financial institutions or banks and no debentures have been issued by the Company.
11. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
12. According to the information and explanations given to us, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
13. The Company has no investments during the year.
14. The Company has not given any guarantees for loans taken by others from banks or financial institutions.
15. The Company has not taken any term loans during the year.



16. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short-term basis during the year have been used for long-term purposes by the Company.
17. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
18. The Company has not raised any monies by way of debentures during the year.
19. The Company has not raised any money by way of public issue during the year.
20. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Patel Dalal & Associates

Chartered Accountants

Firm Regn. No: 126328W



Jitendra. D. Patel

Partner

Membership No: 34518



Mumbai

Dated: 2nd September, 2011

PARAG SHILPA INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule	Year ended 31-03-2011 Rs.	Year ended 31-03-2010 Rs.
INCOME			
Other Income		-	-
TOTAL		-	-
EXPENDITURE			
Rates & Taxes		-	-
Listing & Filing Fees		-	-
Audit Fees		15,000	15,000
Bank Charges		200	222
Professional fees		10,000	-
TOTAL		25,200	15,222
Profit before Depreciation		(25,200)	(15,222)
Less : Depreciation		-	-
Profit before Taxation		(25,200)	(15,222)
Less : Provision for Taxation			
Current Tax		-	-
Profit/(Loss) after Taxation		(25,200)	(15,222)
Profit/(Loss) brought forward		1,856,726	1,871,948
Profit/(Loss) carried over to Balance sheet		1,831,526	1,856,726
Basic & Diluted Earning Per Share (in Rs.)		(0.11)	(0.06)
Nominal Value Per Share (in Rs.)		10	10

NOTES TO THE ACCOUNTS

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AS PER OUR ATTACHED REPORT OF EVEN DATE.

For PATEL DALAL & ASSOCIATES
Chartered Accountants

Firm Regn. No: 126328W


(Jitendra D. Patel)

Partner

Membership No.34518

Place : Mumbai

Date : 2nd September 2011



FOR AND ON BEHALF OF BOARD


(Rajnikant F. Shah)

DIRECTOR


(Pankaj R. Pandya)

DIRECTOR

Place : Mumbai

Dated: 2nd September 2011

PARAG SHILPA INVESTMENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011.

	Schedule	As at 31-03-2011 Rs.	As at 31-03-2010 Rs.
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	A	2,400,000	2,400,000
Reserves & Surplus	B	1,831,526	1,856,726
Loan Funds			
Secured loans		-	-
Unsecured loans	C	278,513	278,513
TOTAL		4,510,039	4,535,239
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		-	-
Less : Depreciation		-	-
Net Block		-	-
Current Assets, Loans and Advances			
Current Assets			
Cash and Bank Balances	D	7,075	7,275
Loans & Advances		4,927,574	4,927,574
		<u>4,934,649</u>	<u>4,934,849</u>
Less : Current Liabilities and Provisions			
Current Liabilities	E	129,910	104,910
Provisions		294,700	294,700
Net Current Assets		<u>424,610</u>	<u>399,610</u>
TOTAL		4,510,039	4,535,239
Notes on Accounts	F		

AS PER OUR ATTACHED REPORT OF EVEN DATE.

For PATEL DALAL & ASSOCIATES

Chartered Accountants

Firm Regn. No: 126328W

(Jitendra D. Patel)

Partner

Membership No.34518



Place : Mumbai

Date : 2nd September 2011

FOR AND ON BEHALF OF BOARD

(Rajnikant F. Shah)

DIRECTOR

(Pankaj R. Pandya)

DIRECTOR

Place : Mumbai

Dated: 2nd September 2011

PARAG SHILPA INVESTMENTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

	As at 31-03-2011 Rs.	As at 31-03-2010 Rs.
SCHEDULE - A		
<u>SHARE CAPITAL</u>		
Authorised		
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>
Issued, Subscribed & paidup		
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	1,831,526	1,856,726
	<u>1,831,526</u>	<u>1,856,726</u>
SCHEDULE - C		
<u>UNSECURED LOANS</u>		
from Director	142,883	142,883
from Body Corporate	125,630	125,630
others	10,000	10,000
	<u>278,513</u>	<u>278,513</u>

(Cont.. 2)



	As at 31-03-2011 Rs.	As at 31-03-2010 Rs.
SCHEDULE - D		
CURRENT ASSETS, LOANS & ADVANCES		
A) CURRENT ASSETS		
Cash & Bank Balance		
Cash in hand	373	373
In Current Account with Scheduled Banks	6,702	6,902
	<u>7,075</u>	<u>7,275</u>
B) LOANS & 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
	<u>4,927,574</u>	<u>4,927,574</u>
TOTAL	<u>4,934,649</u>	<u>4,934,849</u>

SCHEDULE - E

CURRENT LIABILITIES AND PROVISIONS :

A) Current Liabilities :

Sundry Creditors and Other Liabilities 129,910 104,910

B) Provisions :

Provision for Taxation 294,700 294,700

TOTAL **424,610** **399,610**



CASH FLOW STATEMENTS

Annexed to the Balance Sheet for period from April 2010 to March 2011.

	Year ended 31-03-2011 Rs.	Year ended 31-03-2010 Rs.
CASH FLOW FROM OPERATION ACTIVITIES		
NET PROFIT / LOSS AFTER TAX	(25)	(15)
Adjusted for		
Provision for Taxation	-	-
Interest Income	-	-
Operating (Loss) before working capital charges	(25)	(15)
Adjusted for		
Trade and other receivables	-	-
trade payables	25	15
cash generated from operations	-	(1)
taxes paid	-	-
net cash from operating activities	-	(1)
CASH FLOW FROM INVESTING ACTIVITIES		
interest Received	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings	-	-
Net Increase (Decrease) in Cash and Cash equivalents	-	(1)
opening balance of cash and cash equivalents	7	8
Closing balance of cash and cash equivalents	7	7

AS PER OUR ATTACHED REPORT OF EVEN DATE.

For PATEL DALAL & ASSOCIATES

Chartered Accountants

Firm Regn. No: 126328W


(Jitendra D. Patel)

Partner

Membership No.34518



Place : Mumbai

Date : 2nd September 2011

FOR AND ON BEHALF OF BOARD


(Rajnikant F. Shah)

DIRECTOR


(Pankaj R. Pandya)

DIRECTOR