



Paragon Finance Limited

CIN - L65921WB1986PLC040980

402, SIKKIM HOUSE, 4/1, Middleton Street, Kolkata - 700 071

Phone : 033 3058 8100 / 3053 8100

E-mail : paragoncal@gmail.com

Website : www.paragonfinanceltd.com

Dated: **21st November, 2018**

To
The Secretary
Bombay Stock Exchange

Dear Sir,

Ref : **Security Code - 531255**

Sub : **Submission of Approved Annual Report for the year ended 31.03.2017.**

Please find the attached Annual report of the Company for the year ended 31.03.2017 pursuant to regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as approved and adopted in AGM dated 26.09.2017.

Kindly acknowledge the same and oblige.

Thanking You.

Yours truly,

For **Paragon Finance Limited**

Company Secretary

Parul Rajgaria

M No. – F8357



PARAGON FINANCE LIMITED

Registered Office :- "Sikkim House", 4/1, Middleton Street, 4th Floor, Kolkata-700071

CIN :- L65921WB1986PLC040980

Phone No. - 033-40612288

Email id - paragoncal@gmail.com Website: www.paragonfinanceltd.com

Corporate Information

BOARD OF DIRECTORS :

| | |
|------------------------|--|
| Mr. Sanjay Kumar Gupta | Executive Director |
| Mr. Alope Kumar Gupta | Non-Executive Director |
| Mrs. Shreya Gupta | Non-Executive Director |
| Mrs. Anny Jain | Independent Director |
| Mr. Suvabrato Ganguly | Independent Director |
| Mr. Sanjay Goenka | Independent Director |
| Mr. Ravi Agarwalla | Independent Director |
| Ms. Parul Rajgaria | Non-Executive Director & Company Secretary |

AUDITORS :

M/s. Mandawewala & Co.
Chartered Accountants
1, British Indian Street,
1st Floor, Suite No. - 110D
Kolkata - 700 069.

Registrar & Share Transfer Agent :

Niche Technologies Pvt. Ltd.
71, B. R. B. Basu Road,
5th Floor,
Kolkata - 700 001.

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REGISTERED OFFICE : "Sikkim House", 4/1, Middleton Street, 4th Floor, Kolkata - 700 071.

RANCHI OFFICES : 1. H. B. Road, Kokar, P.O. - RMCH, Ranchi - 834 009.
2. Tirupati Balaji Complex, Block Chowk, Ramgarh.

Website : www.paragonfinanceltd.com



NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of the Company will be held at its Registered Office at "Sikkim House" 4/1, Middleton Street, 4th Floor, Kolkata – 700071 on Tuesday, the 26th day of September, 2017 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2017 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Alope Kumar Gupta [DIN – 00825331] who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. Agarwal Maheshwari & Co., Chartered Accountants [Firm Registration No. 314030E] be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this 31st Annual General Meeting until the conclusion of the 36th Annual General Meeting, for the five consecutive financial years for 31st March, 2018 to 31st March, 2022 subject to ratification of their appointment by the shareholders at every Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors in mutual agreement with the Auditors."

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 pursuant to the provision of Section 161 of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, Mrs. Anny Jain [DIN – 06850978], who was appointed as an Additional Director with effect from 14th November, 2016, a non-executive Independent Director of the Company, whose period of office was liable to retire in the ensuing Annual General Meeting pursuant to the provisions of Section 161 of the said Act and who offer herself for re-appointment, be re-appointed as an Independent Director of the Company".

5. **Appointment of Mr. Sanjay Kumar Gupta [DIN-00213467] as a Whole-time Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to provision of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule V of the Companies Act, 2013 approval of the Company be and hereby accorded to the appointment of Sanjay Kumar Gupta [DIN-00213467] as the Whole Time Director of the Company for a period of 3 years with effect from this AGM, i.e. 25th September, 2017 till the conclusion of the 34th Annual General Meeting, for the payment of following remuneration, as approved by the Nomination and Remuneration Committee of the Board of Directors.



Salary:

Basic : As to be decided by the Shareholders u/s 196, 197, 198, Schedule V and other applicable provisions.

Perquisites: As detailed in the statement pursuant to Section 102 of the Companies Act, 2013 annexed thereof."

6. To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and such other necessary approval(s), consent(s) or permission(s), as may be required, the consent of the Members of the Company be and is hereby accorded to pay the remuneration as set out in the statement annexed hereto, to Mr. Sanjay Kumar Gupta (DIN: 00213467), and Mr. Alope Kumar Gupta (DIN: 00825331), Directors of the Company, for the financial year in absence of adequate profits, during the period commencing from April 1, 2017 till the expiry of his term."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

By and on behalf of the Board
Parul Rajgaria
Director & Company Secretary
Date – 14.08.2017
Place - Kolkata



NOTES:

1. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made hereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their e-mail address either with the Company or with the Depository. Accordingly, the Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those shareholders whose e-mail addresses are registered with the Company/Depositories, unless any shareholder has requested for a physical copy of the same. For shareholders who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
2. Members may also note that the Notice of the 31st Annual General Meeting and the Annual report for FY 16-17 will also be available on the Company's website i.e. www.paragonfinanceltd.com.
3. **A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY.**

The instrument appointing the proxy, in order to be effective, must be deposited at the registered office of the Company, duly completed and signed, not less than 48 HOURS before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and/or holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by shareholder(s) 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.

Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

4. Brief resume of the Director who is proposed to be re-appointed, nature of her expertise in specific functional areas, names of companies in which she hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed in this notice.
5. Pursuant to Section 91 of the Companies Act, 2013, Register of shareholders and Share Transfer Books of the Company will remain closed from 20th September, 2017 to 26th September 2017, both days inclusive, for the purpose of the Annual General Meeting.
6. To support the 'Green Initiative', the Members who have not registered their e-mail addresses (as per Section 88 of the Companies Act 2013) are requested to register the same with Depositories.



7. Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on **23rd September, 2017 (9:00 am)** and ends on **25th September, 2017 (5:00 pm)**. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **19th September, 2017**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. **The process and manner for remote e-voting are as under:**
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "**Paragon Finance Limited**".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to advshib@gmail.com with a copy marked to evoting@nsdl.co.in



- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :**
- (i) Initial password is provided in the Annexure or at the bottom of the Attendance Slip for this AGM (enclosed herewith).
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI.** In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII.** If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII.** You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX.** The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2017. A person who is not a member as on cutoff date should treat this notice for information purpose only.
- X.** Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19th September, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI.** A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII.** 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 of 19th September, 2017, date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII.** Mr. Shibnath Bhattacharya, Advocate, of 6, Old Post Office Street, Ground Floor, Room No: 29B (2), Kolkata- 700001 has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV.** The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV.** The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.



- XVI.** The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.paragonfinanceltd.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchange BSE Limited, where the shares of the company are listed.
- 8.** Since e-voting facility (including Ballot Forms) is provided to the Members pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, voting by show of hands are not allowed.

By and on behalf of the Board
Parul Rajgaria
Director & Company Secretary
Date – 14.08.2017
Place - Kolkata



Statement

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 and 5 of the accompanying Notice:

Item No. 4

In accordance with Section 161 of the Companies Act, 2013, Mrs. Anny Jain, Independent Additional Director of the Company, retires pursuant to the provisions of Section 161 of the said Act at the ensuing Annual General Meeting. The Board recommends to re-appoint her an Independent Director of the Company who shall not be liable to retire by rotation.

None of the Directors and Key Managerial Personnel of the Company and their relatives other than Mrs. Anny Jain may be deemed to be concerned or interested in the aforesaid resolution.

Item No. 5

Mr. Sanjay Kumar Gupta is working with the Company as an Executive Director of the Company under the provisions of Companies Act, 1956. The Board recommends to appoint him as the Whole-time Director of the Company for a period of 3 years under the provisions of Section 196, 197 and 203 of the Companies Act, 2013.

Details of the perquisites referred to in the resolution at item no. 5

- a. **Medical Expenses-** Re-imbusement of Medical expenses incurred for self and family.
- b. **Leave Travel Assistance-** Twice in a period of 1 years for travelling with their family members subject to the ceiling limit prescribed in Rule 2B of the Income Tax Rules, 1962.
- c. **Car Facility-** Provision for car with driver primarily for doing business of the Company and partly for personal use, value of the perquisite bring assessed as per provisions of Income Tax Rules, 1962.
- d. **Telephone Facility-** Provision for Telephone at the residence primarily for business purposes provided that all long distance personal calls if made shall be billed to them.
- e. **Accommodation Facility:** Provision of need based Furnished Accommodation – perquisite shall be evaluated as per Income Tax Rules, 1962, only in the event of such accommodation being actually provided.

Item No. 6

Mr. Sanjay Kumar Gupta, Whole-time Director and Mr. Alope Kumar Gupta, Director of the Company subject to their re-appointment at this AGM.

The remuneration paid during the financial year 2016-17 in accordance with the terms of appointment of the above Directors is in excess of the limits prescribed under Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto, due to absence of profits during the said financial year.

As per requirement of Schedule V of the Act (including Schedule XIII of the Companies Act, 1956 to the extent applicable), members approval by way of special resolution is required for payment of remuneration to Directors in excess of limits prescribed under the Companies Act, 2013, in case of absence of profits in any financial year.

The Nomination & Remuneration Committee and Board of Directors of the Company at their meeting held on 14th August, 2017, have approved/ratified remuneration paid to the Whole-time Directors for the financial year 2016-17 which is in excess of the limits prescribed under Schedule V of the Companies Act, 2013 in view of the absence of profits in the financial year 2016-17 and Rs.15,00,000/- as minimum remuneration in case Company has no profits or the profits of the Company are



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inadequate during any financial years during their tenure as the Director, subject to the approval of the shareholders by way of Special Resolution at this general meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives other than Mr. Sanjay Kumar Gupta and Mr. Alope Kumar Gupta may be deemed to be concerned or interested in the aforesaid resolution.

The Board recommends the resolution for your approval.

Date: 14.08.2017

Place: Kolkata

By and on behalf of the Board
Parul Rajgaria
Director & Company Secretary



| Name of Director | Mr. Sanjay Kumar Gupta | Mr. Aloke Kumar Gupta | Mrs. Anny Jain |
|--|--|--|--|
| Date of Birth | 29-06-67 | 15-08-59 | 20-10-85 |
| DIN | 00213467 | 00825331 | 06850978 |
| Date of Appointment | 17-03-03 | 21-08-86 | 14-11-16 |
| Expertise in specific functional areas. | He has passion is the study of management systems and the art of minimising risk in normal business transactions. He is also a portfolio manager of rare distinction and has the ability of not only understanding market trends but to create wealth from them. | He is a grass-root financier. He is extremely well connected in the world of business and has a wealth of practical experience in risk assessments. He looks after the operations of the company based out of the Ranchi office. | She is having 10 years of experience in financial and legal related matters. She is also a Whole Time Company Secretary in a renowned Company. |
| Qualifications | A degree holder of Chartered Accountant, Company Secretary & Certified Financial Planner | He is a commerce graduate, having experience of more than 30 years in all financial areas. | Company Secretary |
| Directorship held in other Companies | <ol style="list-style-type: none"> 1. Raga Commercial Pvt Ltd 2. Mahant Vanijya Pvt Ltd 3. Kit Commercial Pvt Ltd 4. Naman Barter Pvt Ltd 5. Saharsh Estates Pvt Ltd 6. Basera Abasan Pvt Ltd 7. Pragma Estates Pvt Ltd 8. Olympia Credits & Mercantile Pvt Ltd 9. Dankuni Nirman Pvt Ltd | <ol style="list-style-type: none"> 1. Basera Abasan Pvt. Ltd. 2. Mahant Vanijya Pvt. Ltd. 3. Olympia Credits & Mercantile Pvt. Ltd. 4. Kit Commercial Pvt. Ltd. 5. Naman Barter Pvt. Ltd. 6. Ipsa Credit Pvt. Ltd. | <ol style="list-style-type: none"> 1. Real Touch Finance Limited |
| Membership/Chairmanship of Committees of other Public Companies (Includes only Audit Committees and Shareholder'/Investors' Grievance Committee) | NIL | NIL | NIL |
| Shareholdings in the Company | 4.37% | NIL | NIL |



DIRECTORS' REPORT

To the Members of Paragon Finance Limited

Dear Members,

The Board of Directors hereby presents the 31st Annual Report on the business and operations of your Company for the year ended 31st March, 2017.

| <u>FINANCIAL RESULTS</u> | | |
|--------------------------------------|-------------------|----------------|
| | <u>□ In Lakhs</u> | |
| | Year | Year |
| | <u>2016-17</u> | <u>2015-16</u> |
| Total Income | 591.56 | 389.68 |
| Gross Profit | 338.13 | 171.54 |
| Less: Interest | 86.76 | 94.26 |
| Less: Prov. For Standard Assets | 1.18 | (1.41) |
| Cash Profit | 250.19 | 78.69 |
| Depreciation | 17.64 | 19.63 |
| Profit (Loss) before Tax | 232.55 | 59.06 |
| Provision for Taxation | 52.85 | 12.27 |
| Transfer from Prov. For Deferred Tax | 2.97 | (1.40) |
| Profit after Tax | 176.73 | 48.19 |
| Add: Profit Brought Forward | 932.10 | 893.54 |
| Profit available for Appropriation | 1108.83 | 941.73 |
| Less: Transfer to Statutory Reserve | 35.34 | 9.63 |
| Balance carried to Balance sheet | 1073.49 | 932.10 |
| Reserve excl. Revaluation Reserve | 1586.03 | 1409.30 |

DIVIDEND

The Board has not recommended any dividend for the year.

STATE OF THE COMPANY'S AFFAIRS

The Income from Operation increased by 18.63% and Loans against security of vehicles increased by 37.66% during the year in comparison to the previous year. The Shareholders Funds as on 31.03.2017 were Rs.2,011.03 Lakhs reflecting the inherent financial strength of the Company.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the company occurred between the end of the financial year to which this financial statements relates and the date of this report.

EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return (MGT-9) is Annexed as Annexure 1.

DETAILS OF SUBSIDIARY/ASSOCIATE COMPANY/ JOINT VENTURE

The Company does not have any Subsidiary, Joint Venture or an Associate company.

**DETAILS OF BOARD MEETINGS**

During the year, 6 (six) number of Board meetings were held as on April 29, 2016, May 30, 2016, August 13, 2016, September 28, 2016, November 14, 2016 and February 14, 2017 details of which are given below:

| Name of Directors | No. of meeting attended |
|--------------------------|--------------------------------|
| Mr. Sanjay Kumar Gupta | 6 |
| Mr. Alope KumarGupta | 6 |
| Mrs. Shreya Gupta | 6 |
| Mr. SuvobrataGanguly | 6 |
| Mrs. Sujata Agarwal* | 4 |
| Mr. Ravi Agarwalla | 6 |
| Mr. Sanjay Goenka | 6 |
| Mrs. Anny Jain* | 2 |
| Ms. Parul Rajgaria | 6 |

*Mrs. Sujata Agarwal ceased to be Director in the Company w.e.f 28.09.2016 and Mrs. Anny Jain joined as an Independent Additional Director on 14.11.2016.

COMMITTEES OF BOARD

The details of composition of the Committees of the Board of Directors are as under:-

a. Audit Committee

| Sl. No. | Name | Chairman/ Members |
|----------------|------------------------|--------------------------|
| 1 | Mr. Ravi Agarwalla | Chairman |
| 2 | Mrs. Sujata Agarwal* | Member |
| 3 | Mrs. Anny Jain* | Member |
| 4 | Mr. Sanjay Kumar Gupta | Member |

During the year, the Committee had met on 30.05.2016, 13.08.2016, 14.11.2016 & 14.02.2017.

Vigil mechanism

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a vigil mechanism for directors and employees to report genuine concerns has been established. To strengthen its policy of corporate transparency, the company has established an innovative and empowering mechanism for employees. Employees can report to the management their concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

Paragon Finance Limited, being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

b. Nomination & Remuneration Committee

| Sl. No. | Name | Chairman/ Members |
|----------------|----------------------|--------------------------|
| 1 | Mrs. Sujata Agarwal* | Chairman |
| 2 | Mrs. Anny Jain* | Chairman |
| 3 | Mr. Sanjay Goenka | Member |
| 4 | Ms. Parul Rajgaria | Member |



During the year, the Committee had met on 29.04.2016 & 14.11.2016.

c. Stakeholders Relationship Committee

| Sl. No. | Name | Chairman/ Members |
|---------|----------------------|-------------------|
| 1 | Mrs. Sujata Agarwal* | Chairman |
| 2 | Mrs. Anny Jain* | Chairman |
| 3 | Ms. Parul Rajgaria | Member |

During the year, the Committee had met on 30.05.2016 & 14.11.2016.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provision of section 134 (3) (c) of the Companies Act, 2013 the Directors give hereunder the Directors' Responsibility Statement relating to the Accounts of the Company:

- (1) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (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 at March 31, 2016 and of the Profit and Loss of the Company for the said period;
- (3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (4) The Annual Accounts of the Company has been prepared on a going concern basis.
- (5) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (6) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of section 152 of the Companies, Act, 2013 and in terms of the Articles of Association of the Company, Mr. Alope Kumar Gupta, Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Further, the term of Mr. Sanjay Kumar Gupta, Whole Time Director, is also expiring at the ensuing AGM and being eligible, offer himself for re-appointment.

Mrs. Anny Jain has been appointed as an Additional Independent Director of the Company on 14.11.2016. Pursuant to section 152 (2), she is liable to retire at the ensuing AGM and being eligible, offers herself for re-appointment as an Independent Director of the Company who shall not be liable to retire by rotation.

The proposals regarding the re- appointment of Mr. Alope Kumar Gupta as the Director, Mr. Sanjay Kumar Gupta as a Whole Time Director and Mrs. Anny Jain as an Independent Director of the company is placed for your approval.

The Board of Directors of the Company recommends the above re-appointment.

In Compliance with clause 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, brief resume, expertise and other details of the Director proposed to be re-appointed are attached to the Notice of the ensuing Annual General Meeting.

During the year Mrs. Sujata Agarwal ceased to be Director of the Company w.e.f. 28.09.2016. The Board is thankful to her for her continuous support to the Company. Mrs. Anny Jain joined the Board as an Independent Director w.e.f. 14.11.2016.



Also, Ms. Raveena Goel have been appointed as a Chief Financial Officer of the Company with effect from 29.04.2016 and Mr. S.N. Khemka ceases to be the CFO of the Company on 29.04.2016.

%AGE INCREASE IN REMUNERATION OF KMP FROM LAST YEAR :

1. Mr. Sanjay Kumar Gupta – WTD – 0%
2. Ms. Raveena Goel – CFO – N.A.
3. Ms. Parul Rajgaria – CS – 29.03%

RISK MANAGEMENT POLICY

In terms of the requirement of the Act, the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuous basis. They are discussed at the meetings of the board of directors of the company.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by statutory as well as Internal Auditors. Significant Audit observations and follow up actions thereon are reported to the Board. The Board of Directors review adequacy and effectiveness of the company's internal control environment and monitors the implementation of audit recommendations.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declaration from each Independent Directors under section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Clauses of SEBI (LODR) regulations, 2015.

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the board, and separate its functions of governance and management. As on 31st March, 2017, the board consists of 8 members, one of whom is executive or whole time director, one of whom is KMP, two of whom are Non-Executive directors and 4 are independent directors. The Board periodically evaluates the need for change in its composition and size.

The policy of the Company on director's appointment and remuneration, including criteria for determining qualifications' positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013 adopted by Board is annexed to the Board's Report. We affirm the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

No significant or material orders were passed by the Regulators or courts or Tribunals which impact the going concern status and Company's operation in future.

PUBLIC DEPOSITS

The Company has not accepted any fixed deposits during the year 2016-17 from the public/shareholders.

INTERNAL FINANCIAL CONTROLS

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. Details are given in Management Discussion & Analysis Report.



STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

In the AGM held on 26.09.2014, M/s. Mandawewala & Co., Chartered Accountants have been appointed as Statutory Auditors of the Company for a period of 3 years. As per the Companies Act, 2013, their tenure has been completed till the last financial year i.e. 2016-17.

Further, We hereby propose M/s. Agarwal Maheshwari & Co., Chartered Accountants to be appointed as Statutory Auditors for a period of 5 financial years starting from the FY 2017-18 till 2021-22.

Further, the report of the Statutory Auditors along with notes forming part of the Company's accounts as given under Notes (No. 1 – 20) are enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

INTERNAL AUDITOR

M/s. S. Ratan & Co. has served as an internal auditor for the financial year 2016-17.

CASH FLOW STATEMENT

In conformity with the provisions of Clause 34 of the SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year 2016-17 is annexed hereto.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS UNDER SECTION 186.

No such transaction has been entered by the company during the year.

RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website.

Your Directors draw attention of the members to Note 1.B.3 to the financial statement which sets out related party disclosures.

PARTICULARS OF EMPLOYEES

Pursuant to rule 5(2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there is no such employee meeting the criteria under this rule.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

SECRETARIAL AUDIT

In terms of Section 204 of the Act and Rules made there under, M/s. K. Arun & Co., Practicing Company Secretary has been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure 2 to this report. The report is self-explanatory and do not call for any further comments.

LISTING

The Company's shares are listed with BSE having nationwide trading terminal under SEBI (ICDR) regulations, 2009. The Listing fees to the Stock Exchanges for the year 2016-17 have been paid. The address of the said Stock Exchange is as follows:



The Bombay Stock Exchange
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis has been annexed to this report in terms of Part B of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in Annexure 3.

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

The Company does not engage in any manufacturing activity so there is no consumption of energy. The activities of the company do not involve any technology absorption.

| Foreign Exchange Earning and Outgo | (In Lakhs) |
|---|-------------------|
| I) Foreign Exchange Earnings | NIL |
| II) Foreign Exchange outgo | NIL |

BOARD EVALUATION

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under SEBI (LODR) regulations, 2015 and Companies Act, 2013.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

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. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

ARCHIVAL POLICY

As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 every listed company is required to formulate an Archival Policy for the records which it maintains in Electronic Form.

ID FAMILIRISATION PROGRAMME

Independent Directors have been given adequate Documents and Annual Reports of Last Five Financial Years so that they get an understanding regarding the working of the company.



PARAGON FINANCE LIMITED (CIN) L65921WB1986PLC040980

The IDs have also visited various sites of the company and have met the stakeholders of the company so as to get a detailed understanding regarding the Business, which would able them to form an Independent view regarding the company.

DEMAT SUSPENSE A/C

There are no shares in demat suspense account or unclaimed suspense account as on 31.03.2017.

CORPORATE SOCIAL RESPONSIBILITY

Your company though does not fall under the compulsory compliance of CSR u/s 135 of the Companies Act 2013, has decided to voluntarily participate in CSR activities.

DISCLOSURE UNDER SEXUAL HARRASEMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, no case of sexual harassment was reported.

ACKNOWLEDGEMENT

The Board of Directors would like to place on record their grateful appreciation of the cooperation and assistance received from the company's customers, shareholders, employees, brokers, dealers, banks, financial institutions and all others associated with the company.

Your Directors also thank the Central and State Governments, and other statutory authorities for their continuous support.

Place: Kolkata
Date: 30.05.2017

On behalf of the Board of Director
Sanjay Kumar Gupta
Executive Director



Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017
Of
PARAGON FINANCE 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:

- i) CIN - L65921WB1986PLC040980
- ii) Registration Date – 21.07.1986
- iii) Name of the Company – PARAGON FINANCE LIMITED
- iv) Category / Sub-Category of the Company - NBFC
- v) Address of the Registered Office and contact details – 4/1, Middleton Street, Sikkim House, Kolkata – 700071, 033-40612288, 9331116100
- vi) Whether listed company Yes
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA) -

Niche Technologies Pvt. Ltd., 71, B.R.B.Basu Road, 5th Floor, Kolkata – 700 001.
Dial : 033-22357270/71/3070

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:-

| Sl. No. | Name and Description of main products /services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1. | Interest on Loan | 64990 | 96.31% |
| 2. | Income from Investment in Shares | 66190 | 27.88% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – No Companies – Not Applicable

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding



| Category of Shareholders | No. of Shares held at the beginning of the year 31.03.2016 | | | | No. of Shares held at the end of the year 31.03.2017 | | | | % Change during the year |
|--|--|---------------|----------------|-------------------------|--|---------------|----------------|-------------------------|--------------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individual/HUF | 459000 | 0 | 459000 | 10.80% | 459000 | 0 | 459000 | 10.80% | 0.00% |
| (b) Central Govt | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (c) State Govt (s) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (d) Bodies Corp. | 2036012 | 0 | 2036012 | 47.91% | 2036012 | 0 | 2036012 | 47.91% | 0.00% |
| (e) Banks / FI | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (f) Any Other.... | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| Sub-total (A1):- | 2495012 | 0 | 2495012 | 58.71% | 2495012 | 0 | 2495012 | 58.71% | 0.00% |
| (2) Foreign | | | | | | | | | |
| (a) NRIs - Individuals | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (b) Other – Individuals | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (c) Bodies Corp. | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (d) Banks / FI | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (e) Any Other.... | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| Sub-total (A2):- | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| Total shareholding of Promoter (A) = (A1 + A2) | 2495012 | 0 | 2495012 | 58.71% | 2495012 | 0 | 2495012 | 58.71% | 0.00% |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| (a) Mutual Funds | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (b) Banks / FI | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (c) Central Govt | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (d) State Govt(s) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (e) Venture Capital Funds | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (f) Insurance Companies | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (g) FIs | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (i) Others (specify) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| Sub-total (B1):- | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| 2. Non-Institutions | | | | | | | | | |
| (a) Bodies Corp. | | | | | | | | | |
| (i) Indian | 1034613 | 4300 | 1038913 | 24.45% | 1033981 | 4300 | 1038281 | 24.43% | -0.01% |
| (ii) Overseas | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| (b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 163339 | 106981 | 270320 | 6.36% | 165337 | 105481 | 270818 | 6.37% | 0.01% |
| (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 439454 | 0 | 439454 | 10.34% | 439029 | 0 | 439029 | 10.33% | -0.01% |
| (c) Others (specify) | | | | | | | | | |
| (i) NRI/OCBs | 3000 | 2400 | 5400 | 0.13% | 3000 | 2400 | 5400 | 0.13% | 0.00% |
| (ii) Clearing Memb/Cor | 901 | 0 | 901 | 0.02% | 1460 | 0 | 1460 | 0.03% | 0.01% |
| Sub-total (B2):- | 1641307 | 113681 | 1754988 | 41.29% | 1642807 | 112181 | 1754988 | 41.29% | 0.00% |
| Total Public Shareholding (B) = (B1 + B2) | 1641307 | 113681 | 1754988 | 41.29% | 1642807 | 112181 | 1754988 | 41.29% | 0.00% |
| C. Shares held by Custodian for GDRs & ADRs (C) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| Grand Total (A+B+C) | 4136319 | 113681 | 4250000 | 100.00% | 4137819 | 112181 | 4250000 | 100.00% | 0.00% |

**(ii) Shareholding of Promoters**

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year 31.03.2016 | | | Share holding at the end of the year 31.03.2017 | | | % 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 | Basera Abasan Pvt. Ltd. | 234383 | 5.51% | 0.00% | 234383 | 5.51% | 0.00% | 0.00% |
| 2 | Kit Commercial Pvt. Ltd. | 322700 | 7.59% | 0.00% | 322700 | 7.59% | 0.00% | 0.00% |
| 3 | Mahant Vanijya Pvt. Ltd. | 393551 | 9.26% | 0.00% | 800429 | 18.83% | 0.00% | 9.57% |
| 4 | Naman Barter Pvt. Ltd. | 172800 | 4.07% | 0.00% | 172800 | 4.07% | 0.00% | 0.00% |
| 5 | Paragon Fincorp Pvt. Ltd. | 406878 | 9.57% | 0.00% | 0 | 0.00% | 0.00% | -9.57% |
| 6 | Pragma Estates Pvt. Ltd. | 190000 | 4.47% | 0.00% | 190000 | 4.47% | 0.00% | 0.00% |
| 7 | Raga Commercial Pvt. Ltd. | 315700 | 7.43% | 0.00% | 315700 | 7.43% | 0.00% | 0.00% |
| 8 | Gayatri Gupta | 18800 | 0.44% | 0.00% | 18800 | 0.44% | 0.00% | 0.00% |
| 9 | Krishna Kant Jha | 76100 | 1.79% | 0.00% | 76100 | 1.79% | 0.00% | 0.00% |
| 10 | Sanjay Kumar Gupta | 185700 | 4.37% | 0.00% | 185700 | 4.37% | 0.00% | 0.00% |
| 11 | Shreya Gupta | 178400 | 4.20% | 0.00% | 178400 | 4.20% | 0.00% | 0.00% |
| | TOTAL | 2495012 | 58.71% | 0.00% | 2495012 | 58.71% | 0.00% | 0.00% |

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

| Sl No. | Name | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | BASERA ABASAN PRIVATE LIMITED | | | | |
| | a) At the Beginning of the Year | 234383 | 5.51% | | |
| | b) Changes during the year | [NO CHANGES DURING THE YEAR] | | | |
| | c) At the End of the Year | | | 234383 | 5.51% |
| 2 | GAYATRI GUPTA | | | | |
| | a) At the Beginning of the Year | 18800 | 0.44% | | |
| | b) Changes during the year | [NO CHANGES DURING THE YEAR] | | | |
| | c) At the End of the Year | | | 18800 | 0.44% |
| 3 | KIT COMMERCIAL PVT LTD | | | | |
| | a) At the Beginning of the Year | 322700 | 7.59% | | |
| | b) Changes during the year | [NO CHANGES DURING THE YEAR] | | | |
| | c) At the End of the Year | | | 322700 | 7.59% |
| 4 | KRISHNA KANT JHA | | | | |
| | a) At the Beginning of the Year | 76100 | 1.79% | | |
| | b) Changes during the year | [NO CHANGES DURING THE YEAR] | | | |
| | c) At the End of the Year | | | 76100 | 1.79% |
| 5 | MAHANT VANIJYA PVT LTD | | | | |
| | a) At the Beginning of the Year | 393551 | 9.26% | | |
| | b) Changes during the year | | | | |
| | Date Reason | | | | |
| | 31/03/2017 Transfer | 406878 | 9.57% | 406878 | 9.57% |
| | c) At the End of the Year | | | 800429 | 18.83% |
| 6 | NAMAN BARTER PVT LTD | | | | |
| | a) At the Beginning of the Year | 172800 | 4.07% | | |
| | b) Changes during the year | [NO CHANGES DURING THE YEAR] | | | |
| | c) At the End of the Year | | | 172800 | 4.07% |
| 7 | PARAGON FINCORP PRIVATE LIMITED | | | | |
| | a) At the Beginning of the Year | 406878 | 9.57% | | |
| | b) Changes during the year | | | | |
| | Date Reason | | | | |
| | 31/03/2017 Transfer | -406878 | -9.57% | -406878 | -9.57% |
| | c) At the End of the Year | | | 0 | 0.00% |
| 8 | PRAGMA ESTATES PRIVATE LIMITED | | | | |
| | a) At the Beginning of the Year | 190000 | 4.47% | | |
| | b) Changes during the year | [NO CHANGES DURING THE YEAR] | | | |
| | c) At the End of the Year | | | 190000 | 4.47% |
| 9 | RAGA COMMERCIAL PVT LTD | | | | |
| | a) At the Beginning of the Year | 315700 | 7.43% | | |
| | b) Changes during the year | [NO CHANGES DURING THE YEAR] | | | |
| | c) At the End of the Year | | | 315700 | 7.43% |
| 10 | SANJAY KUMAR GUPTA | | | | |
| | a) At the Beginning of the Year | 185700 | 4.37% | | |
| | b) Changes during the year | [NO CHANGES DURING THE YEAR] | | | |
| | c) At the End of the Year | | | 185700 | 4.37% |
| 11 | SHREYA GUPTA | | | | |
| | a) At the Beginning of the Year | 178400 | 4.20% | | |
| | b) Changes during the year | [NO CHANGES DURING THE YEAR] | | | |
| | c) At the End of the Year | | | 178400 | 4.20% |
| | TOTAL | 2495012 | 58.71% | 2495012 | 58.71% |

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

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total Shares of the Company | No. of shares | % of total Shares of the Company |
| 1 BRITE ASBESTOS AND ENGINEERING PRIVATE LIMITED | | | | | |
| | a) At the Beginning of the Year | 198200 | 4.66% | 198200 | 4.66% |
| | b) Changes during the year | | | | |
| | c) At the End of the Year | 198200 | 4.66% | 198200 | 4.66% |
| 2 TOBOCK TRADE AND SALES PRIVATE LIMITED | | | | | |
| | a) At the Beginning of the Year | 191000 | 4.49% | 191000 | 4.49% |
| | b) Changes during the year | | | | |
| | c) At the End of the Year | 191000 | 4.49% | 191000 | 4.49% |
| 3 CRAWFORD PLANTATIONS PRIVATE LIMITED | | | | | |
| | a) At the Beginning of the Year | 125000 | 2.94% | 125000 | 2.94% |
| | b) Changes during the year | | | | |
| | c) At the End of the Year | 125000 | 2.94% | 125000 | 2.94% |
| 4 BEEKAY CHEMICALS PRIVATE LIMITED | | | | | |
| | a) At the Beginning of the Year | 125000 | 2.94% | 125000 | 2.94% |
| | b) Changes during the year | | | | |
| | c) At the End of the Year | 125000 | 2.94% | 125000 | 2.94% |
| 5 BHOWMICK MARKETING PRIVATE LIMITED | | | | | |
| | a) At the Beginning of the Year | 125000 | 2.94% | 125000 | 2.94% |
| | b) Changes during the year | | | | |
| | c) At the End of the Year | 125000 | 2.94% | 125000 | 2.94% |
| 6 DOVER TIE-UP PVT.LTD. | | | | | |
| | a) At the Beginning of the Year | 125000 | 2.94% | 125000 | 2.94% |
| | b) Changes during the year | | | | |
| | c) At the End of the Year | 125000 | 2.94% | 125000 | 2.94% |
| 7 SIPHON MARKETING PRIVATE LIMITED | | | | | |
| | a) At the Beginning of the Year | 125000 | 2.94% | 125000 | 2.94% |
| | b) Changes during the year | | | | |
| | c) At the End of the Year | 125000 | 2.94% | 125000 | 2.94% |



| | | | | |
|---------------------------------|-------|-------|-------|-------|
| 8 HEERA SHARMA | | | | |
| a) At the Beginning of the Year | 61450 | 1.45% | 61450 | 1.45% |
| b) Changes during the year | | | | |
| c) At the End of the Year | 61450 | 1.45% | 61450 | 1.45% |
| 9 SANATAN SHARMA | | | | |
| a) At the Beginning of the Year | 61450 | 1.45% | 61450 | 1.45% |
| b) Changes during the year | | | | |
| c) At the End of the Year | 61450 | 1.45% | 61450 | 1.45% |
| 10 SWAROOP KUMAR SARAYAN | | | | |
| a) At the Beginning of the Year | 60450 | 1.42% | 60450 | 1.42% |
| b) Changes during the year | | | | |
| c) At the End of the Year | 60450 | 1.42% | 60450 | 1.42% |
| 11 HARENDRA KUMAR TIWARI | | | | |
| a) At the Beginning of the Year | 60000 | 1.41% | 60000 | 1.41% |
| b) Changes during the year | | | | |
| c) At the End of the Year | 60000 | 1.41% | 60000 | 1.41% |
| 12 SHAMBHU SHARMA | | | | |
| a) At the Beginning of the Year | 59500 | 1.40% | 59500 | 1.40% |
| b) Changes during the year | | | | |
| c) At the End of the Year | 59500 | 1.40% | 59500 | 1.40% |
| 13 SHAMBHU SHARMA HUF | | | | |
| a) At the Beginning of the Year | 59450 | 1.40% | 59450 | 1.40% |
| b) Changes during the year | | | | |
| c) At the End of the Year | 59450 | 1.40% | 59450 | 1.40% |
| 14 AKHILESH KUMAR JAIN | | | | |
| a) At the Beginning of the Year | 20050 | 0.47% | 20050 | 0.47% |
| b) Changes during the year | | | | |
| c) At the End of the Year | 20050 | 0.47% | 20050 | 0.47% |
| 15 DINESH KUMAR JAIN | | | | |
| a) At the Beginning of the Year | 18739 | 0.44% | 18739 | 0.44% |
| b) Changes during the year | | | | |
| c) At the End of the Year | 18739 | 0.44% | 0 | 0.44% |

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

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|---------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total Shares of the Company | No. of shares | % of total Shares of the Company |
| 1 | SANJAY KUMAR GUPTA | | | | |
| | a) At the Beginning of the Year | 185700 | 4.37% | | |
| | b) Changes during the year | [NO CHANGES DURING THE YEAR] | | | |
| | c) At the End of the Year | | | 185700 | 4.37% |
| 2 | SHREYA GUPTA | | | | |
| | a) At the Beginning of the Year | 178400 | 4.20% | | |
| | b) Changes during the year | [NO CHANGES DURING THE YEAR] | | | |
| | c) At the End of the Year | | | 178400 | 4.20% |
| | Total | 364100 | 8.57% | 364100 | 8.57% |

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 15051940 | 64126173 | 0 | 79178113 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 6919705 | 0 | 6919705 |
| Total (i+ii+iii) | 15051940 | 71045878 | 0 | 86097818 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 163102097 | 201721358 | 0 | 364823455 |
| • Reduction | 158208986 | 199562361 | 0 | 357771347 |
| Net Change | 4893111 | 2158997 | 0 | 7052108 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 19945051 | 66285170 | 0 | 86230221 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 5986391 | 0 | 5986391 |
| Total (i+ii+iii) | 19945051 | 72271561 | 0 | 92216612 |

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

| Sl. No. | Particulars of Remuneration | Name of WTD | Total Amount |
|---------|---|--|--------------|
| | | Mr. Sanjay Kumar Gupta | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 720000 | 720000 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 0 | 0 |
| | (c) Profits in lieu of salary under | 0 | 0 |
| 2 | Stock Option | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 |
| 4 | . Commission | | 0 |
| | - as % of profit | 0 | 0 |
| | - others, specify... | 0 | 0 |
| 5 | Others, please specify | 0 | 0 |
| | Total (A) | 720000 | 720000 |
| | Ceiling as per the Act | Approved as per Sec. 196, 197 & 198 in AGM of 30.09.2015 | |

B. Remuneration to other directors: Not Applicable**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD**

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | Total Amount |
|---------|---|--------------------------|--------------------|--------------|
| | | CFO | Company Secretary | |
| | | Ms. Raveena Goel | Ms. Parul Rajgaria | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 270000 | 540000 | 810000 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | . Commission | | | 0 |
| | - as % of profit | 0 | 0 | 0 |
| | - others, specify... | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 |
| | Total (A) | 270000 | 540000 | 810000 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL



SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st Day of March, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Paragon Finance Limited
CIN: L65921WB1986PLC040980

We have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Paragon Finance Limited (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of 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, and authorized representatives during the conduct of **Secretarial Audit**, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended **31st March, 2017** 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31st March, 2017** according to the provisions of:

- I. The Companies Act, 2013(the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- V. The regulations made by the Reserve Bank of India (under the Reserve Bank Act, 1934) with regard to Non-Banking Financial Companies ("**NBFC**").



We have also examined the compliance by the company of the following statutory provisions/standards/regulations:

- a. The uniform Listing Agreements entered into by the Company, with **BSE Limited** ;
- b. The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- c. The Secretarial Standards (SS - 1 and SS – 2) issued by the Institute of Company Secretaries of India.

We further report that:

The Board of Directors of the Company **is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director**. 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 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adequate Notice is given to all Directors to schedule the Board/Committee Meetings. Information and circulation of the agenda with detailed information thereof, convening of meetings was done in compliance with the applicable laws, rules, regulations and guidelines, etc. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

We 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 as also represented by the management.

We further report that during the period under review Ms. Raveena Goel has been appointed as the Chief Financial Officer of the Company w.e.f. 29.04.2016.

Place: Kolkata
Date: 26.05.2017

For K. Arun & Co
Company Secretaries

Arun Kr. Khandelia
Partner
C.P. No.: 2270



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Directors Have Pleasure in presenting the Management Discussion and Analysis Report for the year ended on 31st March, 2017. This Report have been included in consonance with the Code Of Corporate Governance as approved by the Securities And Exchange Board Of India (SEBI).

The Management Of The Company is presenting herein the Overview, opportunities and threats and overall strategy of the Company and its outlook for the future. This outlook is based on Management's own assessment and it may vary due to Economic and other future developments in the Country.

ECONOMIC OVERVIEW

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2016-17 the Indian economy is expected to grow at 6.75 and 7.75 per cent during FY 2017-18, despite the uncertainties in the global market.

The Advance Estimates released by the Central Statistics Office, the growth rate of GDP at constant market prices for the year 2016-2017 is placed at 7.1%, as against 7.6% in 2015-16. The major driver for this estimate is the Government final consumption expenditure in the current year. However, there has been recent initiatives like Demonetisation & Goods & Service tax(GST) to eliminate black money and the growing menace, thereby creating opportunities for improvements in economic growth.

INDUSTRY OVERVIEW

There are several large and profitable opportunities for NBFC'S and the sector plays an important role in the Indian Financial system. The key is for the NBFC sector to grow in a prudential manner while focusing on financial innovation and in having in place, the adequate risk management systems and procedures before entering into risky areas.

Financing needs in India have risen with the notable growth recorded by the economy over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. The regulator constantly endeavors to balance the multiple objectives of financial stability, consumer and depositor protection and regulatory arbitrage concerns.

The Overall Commercial Vehicles segment registered a growth of 4.16% as compared to previous year. Medium & Heavy Commercial Vehicle (CV) segment has posted a positive growth of 0.04% around as compared to previous year and the Light Commercial Vehicles (LCV) segment reported a growth of 7.41% as compared to previous year.

FINANCIAL PERFORMANCE

The details of the financial performance of the Company is given in the Directors' Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control system commensurate with its size and business and has vigilant process to monitor the internal control system. The management has devised its internal control system to safeguard its assets, efficiency in operations and compliance of statutes. The Audit Committee of the Company consisting of Non-Executive Independent Directors, periodically reviews and recommends the financial statements of the Company. The Audit Committee also monitors the implemented suggestions.



RISK MANAGEMENT

The present and anticipated future risks are reviewed by the Management of the Company at regular intervals. In today's business world risk management has become the most important tool for the survival of the business. So to avoid such circumstances, the board has adopted Risk Management policy. There is continuous follow up for identification of risks and take preventive measures for the same.

There are various types of risks that threat the existence Of a Company like Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Strategic Risk, etc. The Company aims at enhancing and maximizing shareholders value by achieving appropriate trade – off between risk & returns.

HUMAN RESOURCES

The Company strongly believes that its success lies on its employees achieving their personal and professional goals. The Company's constant endeavour is that its employees feel invested in, and in turn, they invest in the Company, its growth and mission.

To foster a positive workplace environment, free from harassment of any nature, the Company has framed a policy for Prevention of Sexual Harassment at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and reviews the same periodically.

CAUTIONARY STATEMENT

Statements in the MD&A, describing the Company's objective, projections and estimates, are forward looking statements and progressive within the meaning of applicable security laws and regulations. These statements involve a number of risks, uncertainties and other factors namely; economic conditions, Government Policies that could cause actual results to differ materially from those that may be implied by these forward looking statements..

Place: Kolkata

For and behalf of the Board Directors
Sanjay Kumar Gupta

Executive Director
DIN-00213467



INDEPENDENT AUDITOR'S REPORT

To The Members of
PARAGON FINANCE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Paragon Finance Limited** ("the Company"), which comprise the Balance Sheet as at **31st March, 2017**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 assessments, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

Opinion



PARAGON FINANCE LIMITED (CIN) L65921WB1986PLC040980

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 :

1. In the case of the Balance Sheet, of the state of affairs of the Company as at **31st March, 2017**
2. In the case of the Profit and Loss Account, of the **PROFIT** for the year ended on that date; and
3. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 the Order], we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the order.
2. 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 account.
 - (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 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 control over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in Annexure 'B'.
 - (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 has disclosed the impact of pending litigation and its impact on financial position in the financial statement as referred to in Note No. 1.B.8 of the Financial Statements.
 - (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.
 - (iv) The Company has provided requisite disclosure in the Financial Statement as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 on the basis of information available with the Company. Based on audit procedure, and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management. Refer Note – 1.B.11.

For, MANDAWEWALA & CO.
Chartered Accountants
Firm Reg. No. : 322130E

Place: Kolkata

Dated: The 30th day of May, 2017

[CA. ANIL KR. MANDAWEWALA]
Partner
Membership No. 055939



ANNEXURE – A TO AUDITORS’ REPORT

The Annexure referred to in paragraph 1 of Our Report of even date to the members of Paragon Finance Limited on the accounts of the company for the year ended March 31, 2017.

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of company and the nature of its assets. No materials discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Title Deeds of Immovable properties are held in the name of the Company.
2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. In respect of the loans, secured or unsecured, granted by the Company to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained pursuant to provision of section 189 of the Companies Act, 2013-

b) The Terms and Conditions of the loans granted are not prejudicial to the interest of the Company.

c) In our opinion and according to the information and explanations given to us, the receipt of the Principal amount and interest are regular.

d) In respect of the said loans and interest thereon, there are no overdue amounts.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of Loans, Investments, Guarantees and Security.
5. According to the information and explanations given to us, the Company has not accepted any deposit from the public and hence the directives issued by the Reserve Bank of India and the provisions of section 73, 74, 75 & 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. Therefore, Clause 3(v) of the CARO 2016 are not applicable to the Company.
6. The Central Government of India has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the products of the company.
7. a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respects of the aforesaid dues were outstanding, as at 31st March, 2016 for a period of more than six months from the date they became payable.

b) Details of dues of Income Tax, Sales Tax, duty of Custom, Wealth Tax, Service Tax, duty of Excise, Value Added Tax and Cess, which have not been deposited as on 31st March, 2017 on account of dispute are given below :



| Sl. No. | Name of Statute | Nature of Dues | Amount in ` | Period | Forum where dispute is pending |
|---------|----------------------|----------------|-------------|---------------|---------------------------------------|
| 1. | Income Tax Act, 1961 | Income Tax | 21,07,350/- | A.Y. 2012-13 | CIT (Appeal) – 21 / Kolkata |
| 2. | Finance Act, 1994 | Service Tax | 26,81,414/- | A. Y. 2003-08 | Commissioner of Service Tax – Kolkata |
| 3. | Income Tax Act, 1961 | Income Tax | 12,56,340/- | A.Y. 2013-14 | CIT (Appeal) – 21 / Kolkata |

8. According to the records of the company examined by us and the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
9. The company has not raised any money by way of initial public offer or further public offer and Term Loan have been applied for the purposes for which they were raised.
10. In our opinion and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanation given to us and based on our examination of the records of the Company, the Managerial Remuneration paid by the Company has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of records of the Company, 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 Financial Statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. According to the audit procedure performed and the information and explanations given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the order are not applicable to the Company.
16. According to the audit procedures performed and the information and explanation given to us by the management, the company is registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For, MANDAWEWALA & CO.

**Chartered Accountants
Firm Reg. No. : 322130E**

Place: Kolkata

Dated: The 30th day of May, 2017

[CA. ANIL KR. MANDAWEWALA]

Partner

Membership No.



ANNEXURE – B TO 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”)

We have audited the internal financial controls over financial reporting of Paragon Finance Limited (“the Company”) as of **31st March, 2017** in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

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 Institute of Chartered Accountants of India. 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.

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.

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

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

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

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 31st March, 2017, 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, MANDAWEWALA & CO.
Chartered Accountants
Firm Reg. No. : 322130E

Place: Kolkata

Dated: The 30th day of May, 2017

[CA. ANIL KR. MANDAWEWALA]
Partner
Membership No. 055939



PARAGON FINANCE LIMITED (CIN) L65921WB1986PLC040980



BALANCE SHEET AS AT 31ST MARCH, 2017

| <u>Particulars</u> | Note No. | As at 31st March, 2017 (₹) | As at 31st March, 2016 (₹) |
|-----------------------------------|-------------|----------------------------------|----------------------------------|
| A. EQUITY AND LIABILITIES | | | |
| 1. Shareholders' Fund | | | |
| (a) Share Capital | 2 | 42,500,000 | 42,500,000 |
| (b) Reserves and Surplus | 3 | 158,602,736 | 140,929,634 |
| | | 201,102,736 | 183,429,634 |
| 2. Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 4 | 66,285,170 | 64,126,173 |
| (b) Long-Term Provisions | 5 | 167,153 | 76,647 |
| | | 66,452,323 | 64,202,820 |
| 3. Current Liabilities | | | |
| (a) Short-Term Borrowings | 6 | 19,945,051 | 15,051,940 |
| (b) Other Current Liabilities | 7 | 11,282,104 | 13,273,914 |
| (c) Short-Term Provisions | 8 | 295,903 | 268,991 |
| | | 31,523,058 | 28,594,845 |
| TOTAL | | 299,078,117 | 276,227,299 |
| B. ASSETS | | | |
| 1. Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| -Tangible Assets | 9 | 5,035,033 | 7,366,388 |
| (b) Non-Current Investments | 10 | 56,477,282 | 62,625,589 |
| (c) Deferred Tax Assets (Net) | 1.B.4 | 680,265 | 977,395 |
| (d) Long-Term Loans and Advances | 11 | 69,570,949 | 32,990,703 |
| (e) Other Non-Current Assets | 12 | 3,139 | 13,139 |
| | | 131,766,668 | 103,973,214 |
| 2. Current Assets | | | |
| (a) Trade Receivables | 13 | 419,470 | 0 |
| (b) Cash and Cash Equivalents | 14 | 23,537,198 | 24,301,000 |
| (c) Short-Term Loans and Advances | 15 | 143,354,781 | 147,953,085 |
| | | 167,311,449 | 172,254,085 |
| TOTAL | | 299,078,117 | 276,227,299 |

Significant Accounting policies & Notes 1

to the Financial statements

The accompanying notes are integral part of the Financial statements

In terms of our report on even date

For, MANDAWEWALA & CO.
Chartered Accountants

For and on behalf of the Board

[CA ANIL KR. MANDAWEWALA]

Partner

FRN: 322130E, M. NO: 055939

1, British Indian Street.

1st Floor, Suite No. 110D,

Kolkata - 700 069.

Dated : The 30th day of May , 2017

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017**

| <u>Particulars</u> | Note No. | For the year ended 31st March, 2017 (₹) | For the year ended 31st March, 2016 (₹) |
|--|----------|---|---|
| 1. Revenue from Operations | 16 | 37,221,039 | 31,375,904 |
| 2. Other Income | 17 | 21,935,313 | 7,591,643 |
| 3. Total Revenue (1+2) | | 59,156,352 | 38,967,547 |
| 4. Expenses | | | |
| (a) Employee Benefits Expense | 18 | 5,856,354 | 5,212,048 |
| (b) Finance Costs | 19 | 8,676,262 | 9,425,722 |
| (c) Depreciation and Amortisation Expense | 9 | 1,764,060 | 1,962,651 |
| (d) Other Expenses | 20 | 19,486,802 | 16,601,769 |
| (e) Provision for Standard Assets | | 117,418 | (140,563) |
| 5. Total Expenses | | 35,900,896 | 33,061,627 |
| 6. Profit Before Tax (3 - 5) | | 23,255,456 | 5,905,920 |
| 7. Tax Expense: | | | |
| (a) Tax Expense for Current Year | | 5,073,436 | 915,375 |
| (b) Security Transaction Tax | | 211,788 | 311,946 |
| (c) Deferred Tax Liability (Assets) | | 297,130 | (139,884) |
| | | 5,582,354 | 1,087,437 |
| 8. Profit For The Year (6 - 7) | | 17,673,102 | 4,818,483 |
| 9. Earnings per share (of ₹10/- each): | | | |
| Basic / Diluted | 1.B.6 | <u>4.16</u> | <u>1.13</u> |
| Significant Accounting policies & Notes to the Financial statements | 1 | | |
| The accompanying notes are integral part of the Financial statements | | | |

In terms of our report on even date

For, MANDAWEWALA & CO.
Chartered Accountants

For and on behalf of the Board

[CA. ANIL KR. MANDAWEWALA]
Partner

FRN: 322130E, M. NO: 055939

1, British Indian Street.
1st Floor, Suite No. 110D,
Kolkata - 700 069.

Dated : The 30th day of May , 2017

**Cash Flow Statement for The Year Ended 31st March, 2017**

| | March 31,2017 | March 31, 2016 |
|---|---------------|----------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | (□) | (□) |
| Net Profit before Tax & Extra ordinary items & interest | 31931718 | 15331642 |
| Adjustment for : | | |
| Depreciation | 1764060 | 1962651 |
| Contingent Provision against Standard Assets | 117418 | (140563) |
| Extra Ordinary Items | 0 | 0 |
| Profit/ Loss on Sale of Fixed Assets | (7759222) | 0 |
| | 26053974 | 17153730 |
| Operating Profit before Working Capital changes | | |
| Adjustment for: | | |
| Long Term Loans and Advances | (36580246) | 6555477 |
| Trade Receivables | (419470) | 572326 |
| Short Term Loans and Advances | 4598304 | 29206087 |
| Other Non Current Assets | 10000 | (1139) |
| Other Long Term Liabilities | 0 | (14000) |
| Other Current Liabilities | (1991810) | (5413989) |
| Cash generated from Operation | (8329248) | 48058492 |
| Interest Paid | (8676262) | (9425722) |
| Tax Paid | (5285224) | (1227321) |
| Net Cash from Operating activities (A) | (22290734) | 37405449 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (1673483) | (1494675) |
| Sale of Fixed Assets | 10000000 | 0 |
| Sale of Investments | 6148307 | (7310665) |
| Net Cash from Investing activities (B) | 14474824 | (8805340) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Loans borrowed (Net of repayments) | 7052108 | (28030094) |
| Net Cash from Financing activities (C) | 7052108 | (28030094) |
| Net increase in Cash and Cash equivalent (A+B+C) | (763802) | 570015 |
| Cash and Cash equivalents at the begining of the year | 24301000 | 23730985 |
| Cash & Cash equivalents of close of the year | 23537198 | 24301000 |

In terms of our report on even date

For, MANDAWEWALA & CO.
Chartered Accountants

For and on behalf of the Board

[CA. ANIL KR. MANDAWEWALA]
Partner
FRN: 322130E, M. NO: 055939

1, British Indian Street.
1st Floor, Suite No. 110D,
Kolkata - 700 069.

Dated : The 30th day of May , 2017



NOTE - 1 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

(1) Nature of Operation

The company is engaged in providing loan against security of vehicles, investment in shares & mutual fund, and finance business concerns, individuals, companies, etc, as per the directions prescribed by the Reserve Bank Of India (RBI) for Non-Banking Financial Companies (NBFC).

(2) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provision of the Companies Act, 2013 and the guidelines issued by the RBI as applicable to Non-Deposit accepting NBFC.

The financial statements have been prepared under the historical cost convention on an accrual basis unless otherwise stated. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(3) Fixed Assets and Depreciation

Fixed assets are stated at Cost less Depreciation.

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in schedule II to the Companies Act, 2013.

(4) Revenue Recognition

- I. Income from operation represents earnings from Loan against security of vehicles arrived at by amortising the installment containing the interest, as and when these become due, as per the related agreement. Such amortisation being based on Even Spread Method on individual agreements.
- II. Additional Interest for Delayed payment and rebate allowed on timely payment are recognised as and when received / paid.
- III. As a part of prudent financial management, the Company had decided to progressively follow the international accepted accounting principles on revenue recognition, provisioning and assets classification. These principles stipulate de-recognition income on 5 (Five) installment dues progressive provisioning and recognition of the contracts with 365 days past dues as loss assets. These principles are more stringent than the guidelines prescribed by the Reserve Bank of India for compliance.

In accordance with these prudent accounting policies, all contracts with 365 days past dues treated as loss assets and written off as bad debts. Any subsequent recoveries made out of these contracts will be treated as income for the year during which the same is received.



Notes forming part of the financial statements for the year ended 31st March,2017.

IV. Prudential Norms

Subject to Para III above, the Company has followed the Prudential Norms issued by Reserve Bank of India, as applicable, and revenue / assets have been represented (considering adjustments / written - off / net - off, as applicable) keeping in line therewith and management prudence.

V. Dividend income on investment is accounted for when the company's right to receive dividend is established.

VI. The Company makes provision of 0.25% on Standard Assets in accordance with RBI Guidelines issued on 17th January, 2011.

(5) Expenses

All the expenses have been accounted for on accrual basis.

(6) Investment Valuation

Investment being Long term Investments are stated at cost. Provisions for diminution in value of investments are made only when such diminution is permanent in nature.

(7) Income Tax

a) Provision for Current Income Tax is made on the basis of relevant provisions of the Income Tax Act, 1961 as applicable to the financial year.

b) Deferred Tax on timing differences is measured based on the Tax Rates and the Tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Assets are recognized only to the extent that there is virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(8) Gratuity

The company has been legally advised that Payment of Gratuity Act, 1972 is not applicable to the company during the year.



(B) NOTES TO THE ACCOUNTS

(1) As required by schedule III, the Company has classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Since the normal operating cycle is not determinable, the operating cycle has been considered as 12 months and the Assets & Liabilities are segregated between Current & Non Current on the basis of management's decision.

(2) **Loan against security of vehicles**

Loan against security of vehicle are valued at agreement value less Installment received and Unmatured interest.

(3) **Related Party disclosures as required by Accounting Stanadard (AS 18) Related Party Disclosures" are as under:**

Names of related parties with whom transactions have taken place during the year

a) Key Management Personnel

Mr.Sanjay Kumar Gupta - Whole Time Director
Mr. Alope Kumar Gupta - Director
Mrs Shreya Gupta - Director
Ms Parul Rajgaria - Director cum Company Secretary
Ms Raveena Goel - Chief Financial Officer

b) Relative of Key Management Personnel

Gayatri Gupta - Mother of Director

c) Enterprises over which Management Personnel, or his relative has significant influence :

Ipsa Credit Pvt Ltd
Kit Commercial Pvt Ltd
Mahant Vanijya Pvt Ltd
Mars Viniyog Pvt Ltd
Naman Barter Pvt Ltd
Olympia Credits & Mercantile Pvt Ltd.
Raga Commercial Pvt Ltd

**Notes forming part of the financial statements for the year ended 31st March,2017.****Particulars of Transactions**

(□)

| Nature of Transactions | (a) | (b) | (c) | Total |
|---|----------------|------------|-------------------|-------------------|
| Salary paid | 1470000 | NIL | NIL | 1470000 |
| | <i>1254048</i> | <i>NIL</i> | <i>NIL</i> | <i>1254048</i> |
| Interest Paid | 114181 | 69797 | 3059071 | 3173252 |
| | <i>94009</i> | <i>NIL</i> | <i>4718232</i> | <i>4812241</i> |
| Interest Received | 5819 | NIL | 527263 | 533082 |
| | <i>15323</i> | <i>NIL</i> | <i>366514</i> | <i>381837</i> |
| Rent Paid | NIL | NIL | 132000 | 132000 |
| | <i>NIL</i> | <i>NIL</i> | <i>132000</i> | <i>132000</i> |
| Net Borrowings and Advances Taken & | (1343930) | (62817) | (24916632) | (26260562) |
| | <i>7435039</i> | <i>NIL</i> | <i>(22325987)</i> | <i>(14890948)</i> |
| Balances outstanding at the end of the year | | | | |
| Borrowings & Advances | 452751 | NIL | 39568467 | 40021218 |
| | <i>1699608</i> | <i>NIL</i> | <i>50969879</i> | <i>52669487</i> |
| Loans & Advances | NIL | NIL | 11548892 | 11548892 |
| | <i>NIL</i> | <i>NIL</i> | <i>312297</i> | <i>312297</i> |

Note: Figures in Italic are those for previous year

(4) Deferred Tax Assets

In terms of Accounting Standard 22, issued by the Institute of Chartered Accountants of India, the Company has reversed the Deferred Tax Liability of □ 2,97,130/- in the current year. The Deferred Tax Assets as on 31st March, 2017 was □ 6,80,265 /- due to Timing Difference in depreciable assets.

(5) Business Segments

The Company is engaged primarily in the business of financing and there are no separate reportable segments as per Accounting Standard 17 (Segment Reporting).

(6) Earning Per Share:

Calculation of Earning Per Share (Basic and Diluted) as required by AS - 20 :

| Particulars | Units | Year Ended on 31.03.2017 | Year Ended on 31.03.2016 |
|------------------------|-------|-----------------------------|-----------------------------|
| Total No. of Shares | Nos. | 4,250,000 | 4,250,000 |
| Profit(Loss) After Tax | □ | 17,673,102 | 4,818,483 |
| Earning Per Share | □ | 4.16 | 1.13 |

**Notes forming part of the financial statements for the year ended 31st March,2017.**

(7) The Reserve Bank of India (RBI) vide its Notification No. DNBS. 223/CGM(US) – 2011 dated 17th January, 2011 has issued directions to all NBFCs to make provision of 0.25% against Standard Assets with immediate effect. Accordingly, the Company has made a provision of ₹ 1,17,418/- during the year against Standard Assets which has been charged to Profit & Loss Account.

(8) **Contingent Liabilities :**

(i) A Search & Seizure operation was conducted by the Service Tax Department on 19.07.2006 and subsequently the Service Tax Commissionerate raised a demand of Service Tax including Education Cess amounting to ₹ 26,81,414/- vide their order dated 31.03.2009. In respect of the said demand, the Company has obtained legal opinion and accordingly an appeal before the Appropriate Authority is preferred. Consequently no provision has been made in the Accounts.

(ii) The company has received a demand order from the Income Tax Department of ₹ 21.07 Lakhs for the Assessment Year 2012-13 for which the case is pending before CIT (Appeals) – 21/Kolkata.

(ii) The company has received a demand order from the Income Tax Department of ₹ 12.56 Lakhs for the Assessment Year 2013-14 for which the case is pending before CIT (Appeals) – 21/Kolkata.

(9) Expenditure in Foreign Currency for Directors' Foreign Travelling Expenses - NIL

(10) Previous year figures have been regrouped and re-arranged, wherever necessary, to conform to the current year's classification.

(11) **Disclosure in Respect of Specified Bank Notes Held and Transacted :-Amounts in Rs**

| Particulars | Specified Bank Notes (SBNs) | Other Denomination notes | Total (Rs.) |
|---------------------------------------|-----------------------------|--------------------------|---------------|
| Closing Cash in Hand as on 08.11.2016 | 3,040,000.00 | 280,491.46 | 3,320,491.46 |
| (+) Permitted Receipt | 0.00 | 3,486,850.00 | 3,486,850.00 |
| (-) Permitted Payment | 0.00 | 1,163,943.00 | 1,163,943.00 |
| (-) Amount deposited in Banks | 3,040,000.00 | 984,000.00 | 4,024,000.00 |
| Closing Cash in Hand as on 30.12.2016 | 0.00 | 1,619,398.46 | 1,619,398.46 |

**Note - 2 : Share Capital****(a) Authorised, Issued, Subscribed and Paid-Up Share Capital**

| <u>Particulars</u> | <u>As at 31st March, 2017</u> | | <u>As at 31st March, 2016</u> | |
|---|-------------------------------|-------------------|-------------------------------|-------------------|
| | <u>Number of Shares</u> | <u>Amount (?)</u> | <u>Number of Shares</u> | <u>Amount (?)</u> |
| <u>Authorised</u> | | | | |
| Equity Shares of ? 10 each with voting rights | 6,250,000 | 62,500,000 | 6,250,000 | 62,500,000 |
| | 6,250,000 | 62,500,000 | 6,250,000 | 62,500,000 |
| <u>Issued, Subscribed and Fully Paid- Up</u> | | | | |
| Equity Shares of ? 10 each with voting rights | 4,250,000 | 42,500,000 | 4,250,000 | 42,500,000 |
| Total | 4,250,000 | 42,500,000 | 4,250,000 | 42,500,000 |

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| <u>Particulars</u> | <u>Opening Balance</u> | <u>Fresh Issue</u> | <u>Closing Balance</u> |
|--|------------------------|--------------------|------------------------|
| <u>Equity shares with voting rights</u> | | | |
| <u>Year ended 31st March, 2016</u> | | | |
| - Number of Shares | 4,250,000 | 0 | 4,250,000 |
| - Amount (?) | 42,500,000 | 0 | 42,500,000 |
| <u>Year ended 31st March, 2015</u> | | | |
| - Number of Shares | 4,250,000 | 0 | 4,250,000 |
| - Amount (?) | 42,500,000 | 0 | 42,500,000 |

(c) Terms/Rights attached to Equity shares:

The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of shares held by each shareholder holding more than 5% shares:

| <u>Class of shares / Name of shareholder</u> | <u>As at 31st March, 2017</u> | | <u>As at 31st March, 2016</u> | |
|--|-------------------------------|--------------|-------------------------------|--------------|
| | <u>Number</u> | <u>% age</u> | <u>Number</u> | <u>% age</u> |
| <u>Equity shares with voting rights</u> | | | | |
| KIT COMMERCIAL (P) LTD | 322,700 | 7.59 | 322,700 | 7.59 |
| RAGA COMMERCIAL PVT LTD | 315,700 | 7.43 | 315,700 | 7.43 |
| PARAGON FINCORP PVT. LTD. | 406,878 | 9.57 | 406,878 | 9.57 |
| BASERA ABASAN PVT. LTD. | 234,383 | 5.52 | 234,383 | 5.52 |
| MAHANT VANIJYA PVT. LTD. | 800,429 | 18.83 | 393,551 | 9.26 |

**Notes forming part of the financial statements for the year ended 31st March,2017.**

| <u>Particulars</u> | As At 31st March, 2017 (₹) | As At 31st March, 2016 (₹) |
|---|----------------------------------|----------------------------------|
| <u>Note - 3 : Reserves and Surplus</u> | | |
| (a) <u>Statutory Reserve</u> | | |
| Balance at the beginning of the year | 22,581,658 | 21,617,961 |
| Add: Additions during the year | 3,534,620 | 963,697 |
| Less: Utilised / transferred during the year | 0 | 0 |
| Closing Balance | 26,116,278 | 22,581,658 |
| (b) <u>Securities Premium Account</u> | | |
| Balance at the beginning of the year | 25,137,500 | 25,137,500 |
| (c) <u>Surplus / (Deficit) in Statement of Profit & Loss</u> | | |
| Opening Balance | 93,210,476 | 89,355,690 |
| Add: Profit / (Loss) for the year | 17,673,102 | 4,818,483 |
| | 110,883,578 | 94,174,173 |
| Less: Transferred to Statutory Reserve | 3,534,620 | 963,697 |
| Closing Balance | 107,348,958 | 93,210,476 |
| Grand Total (a+b+c) | 158,602,736 | 140,929,634 |

Note - 4 : Long-Term Borrowings

| | | |
|---|-------------------|-------------------|
| (a) Loans from other Body Corporates | | |
| - Unsecured | 65,934,028 | 62,511,173 |
| (For Related Party - Refer Note 1.B.3) | | |
| (b) Loans from Director | | |
| - Unsecured (Refer Note 1.B.3) | 351,142 | 1,615,000 |
| Total | 66,285,170 | 64,126,173 |

Note - 5 : Long-Term Provisions

| | | |
|---|----------------|---------------|
| (a) Contingent Provision against Standard Assets | | |
| [As per RBI Directions dated 17.01.2011] | 167,153 | 76,647 |
| Total | 167,153 | 76,647 |

**Notes forming part of the financial statements for the year ended 31st March,2017.**

| <u>Particulars</u> | As at 31st March, 2017 (₹) | As at 31st March, 2016 (₹) |
|--------------------|----------------------------------|----------------------------------|
|--------------------|----------------------------------|----------------------------------|

Note - 6 : Short-Term Borrowings

| | | |
|---|-------------------|-------------------|
| (a) <u>Loans repayable on demand From Banks</u> | | |
| - Secured | | |
| Cash Credit from Tata Capital Fncl Serv | 2,500,000 | 0 |
| Overdraft from SBI | 17,445,051 | 15,051,940 |
| Total | 19,945,051 | 15,051,940 |

Notes - 6.1 : Details of security for the secured short-term borrowings:

- (a) Cash Credit From Tata Capital are secured by pledge of Shares.
(b) Overdraft from Banks are secured by Hypothecation of Fixed Deposits and Land.

Note - 7 : Other Current Liabilities

| | | |
|--|-------------------|-------------------|
| (a) Current Maturities of Long-Term Debt | 5,986,391 | 6,919,705 |
| - (Refer Note 7.1 below) | | |
| (b) <u>Other Payables</u> | | |
| (i) Liabilities for Expenses | 336,100 | 389,633 |
| (ii) TDS Payble | 933,195 | 1,114,136 |
| (iii) Advance Initial Hire | 250,000 | 0 |
| (iv) Trade / Security Deposits Received | 700,153 | 1,022,279 |
| (v) Advances from Customers | 526,981 | 1,168,333 |
| (vi) Other Payables | 374,284 | 1,008,828 |
| (vii) Advance against Properties | 2,175,000 | 1,651,000 |
| Total | 11,282,104 | 13,273,914 |

Note - 7.1 : Detail of Current Maturities of Long-Term Debt

| | | |
|--|------------------|------------------|
| (a) Loans from Other Body Corporate | | |
| - Unsecured | 5,884,782 | 6,835,097 |
| (For Releted Party - Refer Note 1.B.3) | | |
| (b) Loans from Director | | |
| - Unsecured (Refer Note 1.B.3) | 101,609 | 84,608 |
| Total | 5,986,391 | 6,919,705 |

Note - 8 : Short-Term Provisions

| | | |
|--|----------------|----------------|
| (a) Contingent Provision against Standard Assets | 295,903 | 268,991 |
| Total | 295,903 | 268,991 |



Notes forming part of the financial statements for the year ended 31st March, 2017.

Note - 9 : Fixed Assets

(?)

| <u>PARTICULARS</u> | <u>GROSS BLOCK</u> | | | <u>DEPRECIATION</u> | | | <u>NET BLOCK</u> | |
|--------------------------------|---------------------------|------------------|------------------|----------------------------|------------------|----------------|---------------------------|---------------------------|
| | Balance as at 01-04-16 | Addition | Deduction | Balance as at 31-03-17 | For The Year | Adjustment | Balance as at 31-03-17 | Balance as at 31-03-16 |
| <u>Tangible Assets</u> | | | | | | | | |
| (a) Land & Building | 3,315,594 | 1,327,246 | 2,906,000 | 1,736,840 | 108,493 | 681,819 | 1,384,202 | 2,389,630 |
| (b) Furniture & Fixture | 356,427 | 75,800 | 0 | 432,227 | 41,554 | 0 | 177,758 | 143,512 |
| (c) Vehicles | 8,991,024 | 0 | 0 | 8,991,024 | 1,343,393 | 0 | 2,922,644 | 4,266,037 |
| (d) Office Equipment | 593,214 | 13,680 | 155,175 | 451,719 | 40,175 | 147,311 | 43,707 | 78,066 |
| (e) Computer | 674,250 | 50,742 | 0 | 724,992 | 73,000 | 0 | 72,300 | 94,558 |
| (f) Air Conditioner | 756,880 | 95,000 | 128,980 | 722,900 | 72,747 | 122,531 | 268,026 | 252,222 |
| (g) Refrigerator | 105,750 | 0 | 13,750 | 92,000 | 10,194 | 13,062 | 23,234 | 34,116 |
| (h) Electric Equip. & Fittings | 170,271 | 0 | 0 | 170,271 | 0 | 0 | 8,514 | 8,514 |
| (i) Cellular Phone | 361,597 | 111,015 | 28,800 | 443,812 | 74,504 | 27,204 | 134,648 | 99,733 |
| GRAND TOTAL | 15,325,007 | 1,673,483 | 3,232,705 | 13,765,785 | 1,764,060 | 991,927 | 5,035,033 | 7,366,388 |
| PREVIOUS YEAR | 13,830,332 | 1,494,675 | 0 | 15,325,007 | 1,962,651 | 0 | 7,958,619 | 7,366,388 |



Notes forming part of the financial statements for the year ended 31st March, 2017.

Note - 10 : Non - Current Investments

| <u>Particulars</u> | As at 31st March, 2017 | | | As at 31st March, 2016 | | |
|--|------------------------|-----------------|--------------|------------------------|-----------------|--------------|
| | Quoted (?) | Unquoted (?) | Total (?) | Quoted (?) | Unquoted (?) | Total (?) |
| <u>Non Trade Investments</u> | | | | | | |
| (a) Investment in Equity Instruments | | | | | | |
| - of Various entities | 56,469,182 | 8,100 | 56,477,282 | 59,909,239 | 2,716,350 | 62,625,589 |
| Total | 56,469,182 | 8,100 | 56,477,282 | 59,909,239 | 2,716,350 | 62,625,589 |
| Less: Provision for diminution in value of investments | | | 0 | | | 0 |
| Total | | | 56,477,282 | | | 62,625,589 |
| Aggregate market value of quoted Shares | | | 74,531,045 | | | 69,727,128 |

**Notes forming part of the financial statements for the year ended 31st March,2017.**

| <u>Particulars</u> | As at 31st March, 2017 (?) | As at 31st March, 2016 (?) |
|--|----------------------------------|----------------------------------|
| <u>Note - 11 : Long-Term Loans and Advances</u> | | |
| (a) Loans against Security of Vehicles | | |
| - Secured, Considered Good | 66,861,000 | 30,658,934 |
| (b) Balances with Government Authorities | | |
| (i) Advance Income Tax (Net of Provisions ` 50,73,436/- P/Y - ? 79,09,556/-) | 2,038,949 | 1,660,769 |
| (ii) Service Tax | 671,000 | 671,000 |
| Total | 69,570,949 | 32,990,703 |
| <u>Note - 12 : Other Non-Current Assets</u> | | |
| (a) Security Deposit | 3,139 | 13,139 |
| Total | 3,139 | 13,139 |
| <u>Note - 13 : Trade Receivables</u> | | |
| Trade receivables outstanding for a period exceeding six months from the date they were | 0 | 0 |
| Other Trade Receivables | | |
| - Secured, Considered Good | 419,470 | 0 |
| Total | 419,470 | 0 |
| <u>Note - 14 : Cash and Cash Equivalent</u> | | |
| (a) Cash on Hand | 829,253 | 3,789,048 |
| [As certified by the Management] | | |
| (b) Balances with Banks | | |
| (i) In Current Accounts | 2,449,383 | 1,464,705 |
| (ii) In Fixed Deposits | 20,258,562 | 19,047,247 |
| Total | 23,537,198 | 24,301,000 |
| <u>Note - 15 : Short-Term Loans and Advances</u> | | |
| (a) Loans against Security of Vehicles | | |
| - Secured, Considered Good | 87,758,767 | 81,662,747 |
| (b) Advance to Parties | | |
| - Unsecured, Considered Good | 19,495,000 | 33,430,000 |
| (c) Other Loans | | |
| - Unsecured, Considered Good | 36,013,819 | 32,791,494 |
| (For Related party Refer Note 1.B.3) | | |
| (d) Prepaid Expenses | 87,195 | 68,844 |
| Total | 143,354,781 | 147,953,085 |

**Notes forming part of the financial statements for the year ended 31st March, 2017.**

| <u>Particulars</u> | For the year ended 31st March, 2017 (?) | For the year ended 31st March, 2016 (?) |
|--------------------|---|---|
|--------------------|---|---|

Note - 16 : Revenue from Operations

| | | |
|--|-------------------|-------------------|
| (a) <u>Income Form Financing Activity</u> | | |
| (i) Interest on Loan | 3,744,485 | 1,550,330 |
| (ii) Interest on Loan against security of vehicles | 33,476,554 | 29,825,574 |
| Total | 37,221,039 | 31,375,904 |

Note - 17 : Other Income

| | | |
|--|-------------------|------------------|
| (a) <u>Interest Income:</u> | | |
| - Interest from Banks | 1,428,016 | 1,511,885 |
| (b) <u>Dividend Income:</u> | | |
| - From Long-Term Investments | 781,082 | 1,023,488 |
| (c) <u>Net Gain on Sale of:</u> | | |
| - Long-Term Investments | 3,967,740 | 3,844,466 |
| - Short-Term Investments | 6,807,138 | 658,846 |
| (d) Other Non-Operating Income (Refer note 17.1) | 8,951,337 | 552,958 |
| Total | 21,935,313 | 7,591,643 |

Note - 17.1 : Other Non-Operating Income Comprises:

| | | |
|--------------------------------|------------------|----------------|
| Profit on Sale of Fixed Assets | 7,759,222 | 0 |
| Commission Received | 2,337 | 8,330 |
| Profit on Vehicle Trade | 938,176 | 0 |
| Miscellaneous Income | 251,602 | 544,628 |
| Total | 8,951,337 | 552,958 |

Note - 18 : Employee Benefits Expense

| | | |
|------------------------|------------------|------------------|
| Salaries and Wages | 5,180,596 | 4,835,427 |
| Staff Welfare Expenses | 675,758 | 376,621 |
| Total | 5,856,354 | 5,212,048 |

Note - 19 : Finance Costs

| | | |
|---------------------------|------------------|------------------|
| (a) Interest Expense on : | | |
| (i) Bank Loan | 1,459,240 | 1,516,273 |
| (ii) Other Loans | 7,217,022 | 7,909,449 |
| Total | 8,676,262 | 9,425,722 |

**Notes forming part of the financial statements for the year ended 31st March, 2017.**

| <u>Particulars</u> | For the year ended 31st March, 2017 (?) | For the year ended 31st March, 2016 (?) |
|--|---|---|
| Note - 20 : Other Expenses | | |
| Electricity Charges | 500,294 | 486,218 |
| Rent | 132,000 | 132,000 |
| <u>Repairs and Maintenance</u> | | |
| - Others | 829,379 | 788,561 |
| Insurance | 217,571 | 110,259 |
| Advertisement | 89,453 | 143,160 |
| Rates and Taxes | 116,664 | 6,314 |
| Telephone Charges | 353,107 | 334,323 |
| Travelling and Conveyance | 1,389,917 | 1,526,341 |
| Printing and Stationery | 1,451,411 | 1,241,751 |
| Commission & Brokerage | 8,071,500 | 6,260,120 |
| Business Promotion | 974,025 | 957,893 |
| Vehicle Maintenance Expenses | 991,712 | 947,169 |
| Legal and Professional | 661,312 | 762,194 |
| Payments to Auditors (Refer Note 20.1 below) | 177,000 | 176,400 |
| Non-Performing Asset Written Off | 1,539,608 | 748,547 |
| Miscellaneous Expenses | 1,991,849 | 1,980,519 |
| Total | 19,486,802 | 16,601,769 |

Note - 20.1 : Payment to Auditors Comprises:

| | | |
|-------------------------------|---------|---------|
| As Auditors - Statutory Audit | 103,500 | 103,050 |
| For Internal Audit | 39,000 | 39,000 |
| For Secretarial Audit | 34,500 | 34,350 |
| Total | 177,000 | 176,400 |

In terms of our report on even date

For, MANDAWEWALA & CO.
Chartered Accountants

For and on behalf of the Board

[CA. ANIL KR. MANDAWEWALA]
Partner
FRN: 322130E, M. NO: 055939

1, British Indian Street.
1st Floor, Suite No. 110D,
Kolkata - 700 069.

Dated : The 30th day of May , 2017

**Schedule to the Balance sheet of a Non-Deposit taking Non-Banking Financial Company**

[as required in terms of paragraph 13 of Non Systematically Important Non-Banking Financial(Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015]

Particulars

(₹ in lakhs)

| Liabilities Side : | | | |
|--|---|--------------------|----------------|
| (1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid : | | Amount Outstanding | Amount Overdue |
| | (a) Debentures : Secured | NIL | NIL |
| | : Unsecured | NIL | NIL |
| | (Other than falling within the meaning of public deposits)* | | |
| (b) Deferred Credits | | NIL | NIL |
| (c) Term Loans | | NIL | NIL |
| (d) Inter-corporate loans and borrowing | | 718.19 | NIL |
| (e) Commercial Paper | | NIL | NIL |
| (f) Other Loans (specify nature) - Cash Credit from Bank | | 199.45 | NIL |
| | - From Directors | 4.53 | NIL |
| | *Please see note 1 below | | |
| Assets side : | | Amount Outstanding | |
| (2) Break-up of Loans and Advances including bills receivables [Other than those included in (3) below] : | | | |
| (a) Secured | | NIL | |
| (b) Unsecured | | 360.14 | |
| (3) Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities : | | | |
| (i) Lease assets including lease rentals under sundry debtors : | | | |
| | (a) Financial Lease | NIL | |
| | (b) Operating Lease | NIL | |
| (ii) Stock on hire including hire charges under sundry debtors : | | | |
| | (a) Assets on hire | NIL | |
| | (b) Repossessed Assets | NIL | |
| (iii) Other loans counting towards AFC activities | | | |
| | (a) Loans where assets have been repossessed | NIL | |
| | (b) Loans other than (a) above | 1,546.20 | |



PARAGON FINANCE LIMITED (CIN) L65921WB1986PLC040980



(4) Break - up of Investments :

Current Investments :

| | | |
|------------------------------|----------------|--------|
| 1. Quoted : | | |
| (i) Shares : | (a) Equity | NIL |
| | (b) Preference | NIL |
| (ii) Debentures and Bonds | | NIL |
| (iii) Units of Mutual funds | | NIL |
| (iv) Government Securities | | NIL |
| (v) Others (Please Specify) | | NIL |
| 2. Unquoted : | | |
| (i) Shares : | (a) Equity | NIL |
| | (b) Preference | NIL |
| (ii) Debentures and Bonds | | NIL |
| (iii) Units of Mutual funds | | NIL |
| (iv) Government Securities | | NIL |
| (v) Others (Please Specify) | | NIL |
| Long Term Investment : | | |
| 1. Quoted : | | |
| (i) Shares : | (a) Equity | 564.69 |
| | (b) Preference | NIL |
| (ii) Debentures and Bonds | | NIL |
| (iii) Units of Mutual funds | | NIL |
| (iv) Government Securities | | NIL |
| (v) Others (Please Specify) | | NIL |
| 2. Unquoted : | | |
| (i) Shares : | (a) Equity | 0.08 |
| | (b) Preference | NIL |
| (ii) Debentures and Bonds | | NIL |
| (iii) Units of Mutual funds | | NIL |
| (iv) Government Securities | | NIL |
| (v) Others (Please Specify) | | NIL |

(5) Borrower group-wise classification of assets financed as in (2) and (3) above

Please see Note 2 below

| Category | Amount net of provisions | | |
|---------------------------------|--------------------------|---------------|-----------------|
| | Secured | Unsecured | Total |
| 1. Related Parties ** | | | |
| (a) Subsidiaries | NIL | NIL | NIL |
| (b) Companies in the same group | NIL | 3.12 | 3.12 |
| (c) Other related parties | NIL | NIL | NIL |
| 2. Other than related parties | 1,541.57 | 357.02 | 1,898.59 |
| Total | 1,541.57 | 360.14 | 1,901.71 |

**(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**

Please see note 3 below

| Category | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) |
|---------------------------------|--|----------------------------------|
| 1. Related Parties ** | | |
| (a) Subsidiaries | NIL | NIL |
| (b) Companies in the same group | 22.08 | 22.08 |
| (c) Other related parties | NIL | NIL |
| 2. Other than related parties | 723.31 | 542.69 |
| Total | 745.39 | 564.77 |

(7) Other Information

| Particulars | Amount |
|---|--------|
| (i) Gross Non-Performing Assets | |
| (a) Related parties | NIL |
| (b) Other than related parties | 102.39 |
| (ii) Net Non-Performing Assets | |
| (a) Related parties | NIL |
| (b) Other than related parties | 68.58 |
| (iii) Assets acquired in satisfaction of debt | NIL |

IN TERMS OF OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD**FOR, MANDAWEWALA & CO.**
Chartered Accountants**(CA. ANIL KR. MANDAWEWALA)**
Partner
FRN: 322130E, M. NO: 0559391, British Indian Street,
1st Floor, R. No. 110D,
Kolkata - 700 069.

Dated : The 30th day of May , 2017

Notes :

- As defined in Paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non Systematically Important Non - Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investment should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

** As per Accounting Standard of ICAI (Please see Note 3)



PARAGON FINANCE LIMITED (CIN) L65921WB1986PLC040980



PARAGON FINANCE LIMITED

Registered Office :- "Sikkim House", 4/1, Middleton Street, 4th Floor, Kolkata-700071

CIN :- L65921WB1986PLC040980

Phone No. - 033-40612288

Email id - paragoncal@gmail.com Website: www.paragonfinanceltd.com

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting Hall)

(Annual General Meeting-26th September, 2017)

I/We hereby record my/our presence at the **Annual General Meeting** of "Paragon Finance Ltd" to be held at 4/1, Middleton Street, Sikkim House, 4th Floor, Kolkata - 700071 on Tuesday, 26th Day of September, 2017 at 10:00 A.M.

Full Name of the member (IN BLOCK LETTER):

Folio No: DP ID : Client ID:

Full Name of the proxy (IN BLOCK LETTER):

Member/Proxy(s) Signature:

(Please cut here and bring the Attendance Slip duly Signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the meeting)

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L65921WB1986PLC040980
Name of the Company : **PARAGON FINANCE LIMITED**
Registered Office : "Sikkim House", 4/1 Middleton Street, 4th Floor, Kolkata-700071
Name of the members :
Registered Address :
E-mail Id :
Folio No./Client No. :
DP ID :

I/We, being the members of shares of Paragon Finance Limited, hereby app

Name :
Address :
E-mail Id : Signature : _____ or failing him/her,

Name :
Address :
E-mail Id : Signature : _____ or failing him/her,

Name :
Address :
E-mail Id : Signature : _____ .

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the members of the company to be held on Tuesday, 26th Day of September, 2017 at 10:00 A.M at 4/1, Middleton Street, Sikkim House, 4th Floor, Kolkata-700071 and at any adjournment thereof in respect of such resolutions as are indicated below :

| Resolution No. | Resolution | Optional | |
|----------------------------|---|----------|---------|
| | | For | Against |
| Ordinary Business | | | |
| 1 | Adoption of Financial Statements for the year ended 31.03.2017 | | |
| 2 | to re-appoint Mr. Alope Kumar Gupta who is liable to retire by rotation as the Director | | |
| 3 | Appointment M/s. Agarwal Maheshwari & Co. as an Auditor | | |
| Ordinary Resolution | | | |
| 4 | Re-appointment of Mrs. Anny Jain | | |
| 5 | Re-appointment of Mr. Sanjay Kumar Gupta as a whole-time Director | | |
| Special Resolution | | | |
| 6 | Fixation of Remuneration of Mr. Sanjay Kumar Gupta and Mr. Alope Kumar Gupta | | |

Signed this.....day of.....2017

Signature of the Shareholder

Signature of the Proxy Holder

Affix Revenue Stamp

- NOTES
- THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY SUBMITTED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
 - For the Resolutions, please refer to the Notice of the Annual General Meeting