



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 31.03.2018.**

Please find the attached Annual report of the Company for the year ended 31.03.2018 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 28.09.2018.

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. Aloke 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	Director, CS & CFO

AUDITORS :

M/s. Agarwal Maheswari & Co.
Chartered Accountants
78, Bentick Street,
Shree Krishna Chambers
Block-B, 3rd Floor, Suite-1C
Kolkata - 700 001.

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Registrar & Share Transfer Agent :

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

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 Second 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 Friday, the 28th day of September, 2018 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, 2018 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 Mrs. Shreya Gupta [DIN – 00333208] who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit to pass with or without modification(s) the following resolution as an 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), Whole-time Director of the Company, for the financial year in absence of adequate profits, during the period commencing from April 1, 2018 till the expiry of his term."

4. To consider and if thought fit to pass with or without modification(s) the following resolution as an 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. Alope Kumar Gupta (DIN: 00825331), Director of the Company, for the financial year in absence of adequate profits, during the period commencing from April 1, 2018 for the period of 3 years or till the date of his retirement caused by rotation, whichever is earlier."

"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 above resolutions."

By and on behalf of the Board

Parul Rajgaria

Company Secretary

Date – 14.08.2018

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 2017-18 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 32nd Annual General Meeting and the Annual report for FY 17-18 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 22nd September, 2018 to 28th September 2018, 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.

The remote e-voting period commences on **25th September, 2018 (9:00 am)** and ends on **27th September, 2018 (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 **21st September, 2018**, 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.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.



b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

- a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.



8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to advshib@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

- IV. 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 21st September, 2018. A person who is not a member as on cutoff date should treat this notice for information purpose only.
- V. 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. 21st September, 2018, 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.

- VI.** 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.
 - VII.** 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 21st September, 2018, date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
 - VIII.** 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.
 - IX.** 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.
 - X.** 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.
 - XI.** 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
Company Secretary
Date – 14.08.2018
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 No. 3 to 4 of the accompanying Notice:

Item No. 3 & 4

Mr. Sanjay Kumar Gupta, Whole-time Director, Director of the Company and Mr. Alope Kumar Gupta, Director of the Company.

The remuneration paid during the financial year 2017-18 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.

Having regard to the vast knowledge, experience and dedicated services rendered by them towards the growth of the Company, it is incumbent that their services should continue to be available to the Company.

The Nomination & Remuneration Committee and Board of Directors of the Company at their meeting held on 14th August, 2018, have approved/ratified remuneration paid to the Directors for the financial year 2017-18 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 2017-18 and Rs.30,00,000/-p.a. as Basic Salary to Mr. Sanjay Kumar Gupta and Rs.24,00,000/-p.a. to Mr. Alope Kumar Gupta as minimum remuneration in case Company has no profits or the profits of the Company are 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.

The Board recommends the special resolution as set out at this Item of the Notice for approval of the members.

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.



ATTACHMENT TO THE EXPLANATORY STATEMENT FOR ITEM NO. 3 & 4

The following information pertaining to Mr. Sanjay Kumar Gupta and Mr. Alope Kumar Gupta are furnished pursuant to the provisions of Schedule V to the Companies Act, 2013:

I. GENERAL INFORMATION:

- (i) Nature of Industry
The Company is an NBFC engaged in the business of financing Heavy Commercial vehicles covering the eastern region of India.
- (i) Date of commencement of commercial production: - Not Applicable
- (ii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
- (iii) Financial performance based on given indicators: Please refer Board’s Report enclosed with the Notice
- (iv) Foreign investments or collaborators, if any : Not Applicable

II. INFORMATION ABOUT THE APPOINTEES:

No.	Particulars	Sanjay Kumar Gupta	Alope Kumar Gupta
1	Background Details	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.
2	Past Remuneration	Rs.15,00,000/- per annum	Rs.15,00,000/- per annum
3	Recognition or Awards	None	None
4	Job profile and his suitability	As an Executive Director of the Company he is responsible for the management of the Company, subject to the superintendence, guidance and control of the Board of Directors. Taking into account his previous experience, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person as the Whole-time Director of the Company.	He will be responsible for the operational matters of Ranchi Branch of the Company in the ordinary course of business. Considering the above and having regard to his age, qualifications, ability, experience and looking to the business requirement.
5	Remuneration Proposed	Rs.30,00,000/- per annum	Rs.24,00,000/- per annum



No.	Particulars	Sanjay Kumar Gupta	Aloke Kumar Gupta
6	Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person	Taking into consideration the size of the Company, the profile of Mr. S. K. Gupta, the responsibilities shouldered on him and the industry bench marks, the proposed revised remuneration is reasonable, justified and commensurate with the remuneration packages paid in the comparable Companies.	The remuneration proposed to be paid to Mr. A. K. Gupta is reasonable and as per industry standard.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. S. K. Gupta has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of Executive Director. He holds 185100 (4.36%) equity shares of the Company.	Mr. A. K. Gupta has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of Executive Director.

III. OTHER INFORMATION:

i. Reasons for loss or inadequate profits

Due to demonetization, implementation of the goods and services tax (GST) and the transition to new emission standards, the sales of Heavy Commercial Vehicles was slowdown in the current F.Y.

ii. Steps taken or proposed to be taken for improvement

CV demand is closely correlated with GDP growth rate, of the country and therefore, India's GDP is expected to grow 7.3 per cent in 2018-19, hence increase in sales of CV is also expected and thus leading to improvement in business.

Furthermore, various realignment initiative ensured reduced debt burden on the Company resulting in overall reduction in finance cost.

iii. Expected increase in productivity and profit in measurable terms :

The management continues to be optimistic towards the external economic environment and expects consumer demand to become more consistent and robust in the current financial year.

Further, various policy decisions taken would act as growth channel for the Company which would contribute in increased revenues and higher margins.

Date: 14.08.2018

Place: Kolkata

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



Name of Director	Mrs. Shreya Gupta
Date of Birth	13-06-1973
DIN	00333208
Date of Appointment	07-08-2014
Expertise in specific functional areas.	Wide experience in the field of Financial Management. She is a Whole-Time Director of an NBFC.
Qualifications	A Commerce Gradute having an experience of approx 20 years
Directorship held in other Companies	1. Mahant Vanijya Pvt Ltd 2. Raga Commercial Pvt Ltd
Membership/Chairmanship of Committees of other Public Companies (includes only Audit Committees and Shareholder'/Investors' Grievance Committee)	NIL
Shareholdings in the Company	4.20%

**DIRECTORS' REPORT****To the Members of Paragon Finance Limited**

Dear Members,

The Board of Directors hereby presents the 32nd Annual Report on the business and operations of your Company for the year ended 31st March, 2018.

<u>FINANCIAL RESULTS</u>		
	□ In Lakhs	
	Year	Year
	<u>2017-18</u>	<u>2016-17</u>
Total Income	521.79	591.56
Gross Profit	332.81	338.13
Less: Interest	48.32	86.76
Less: Prov. For Standard Assets	(0.42)	1.18
Cash Profit	284.91	250.19
Depreciation	14.54	17.64
Profit (Loss) before Tax	259.33	232.55
Provision for Taxation	54.57	52.85
Transfer from Prov. For Deferred Tax	(2.55)	2.97
Profit after Tax	207.31	176.73
Add: Profit Brought Forward	1073.49	932.10
Profit available for Appropriation	1280.80	1108.83
Less: Transfer to Statutory Reserve	41.46	35.34
Balance carried to Balance sheet	1239.34	1073.49
Reserve excl. Revaluation Reserve	1793.34	1586.03

DIVIDEND

The Board has not recommended any dividend for the year.

STATE OF THE COMPANY'S AFFAIRS

The Income from Operation increased by 4.49% whereas Loans against security of vehicles has decreased by 4.33% during the year in comparison to the previous year. The Shareholders Funds as on 31.03.2018 were Rs.2,218.34 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 6, 2017, May 30, 2017, August 14, 2017, September 26, 2017, November 14, 2017 and January 31, 2018 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. Suvobrata Ganguly	6
Mr. Ravi Agarwalla	6
Mr. Sanjay Goenka	6
Mrs. Anny Jain	6
Ms. Parul Rajgaria	6

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. Anny Jain	Member
3	Mr. Sanjay Kumar Gupta	Member

During the year, the Committee had met on 30.05.2017, 14.08.2017, 14.11.2017 & 31.01.2018.

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. Anny Jain	Chairman
2	Mr. Sanjay Goenka	Member
3	Ms. Parul Rajgaria	Member

During the year, the Committee had met on 30.05.2017 & 26.09.2017.



c. Stakeholders Relationship Committee

Sl. No.	Name	Chairman/ Members
1	Mrs. Anny Jain	Chairman
2	Ms. Parul Rajgaria	Member

During the year, the Committee had met on 30.05.2017 & 14.11.2017.

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, Mrs. Shreya Gupta, Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

The proposals regarding the re- appointment of Mrs. Shreya Gupta as the 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.

Also, Ms. Parul Rajgaria have been appointed as a Chief Financial Officer of the Company with effect from 26.09.2017 and Ms. Raveena Goel ceases to be the CFO of the Company on 26.09.2017.

%AGE INCREASE IN REMUNERATION OF KMP FROM LAST YEAR :

1. Mr. Sanjay Kumar Gupta – WTD – 108%
2. Ms. Raveena Goel – CFO – 15%
3. Ms. Parul Rajgaria – CS – 25%

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, 2018, 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 2017-18 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 26.09.2017, M/s. Agarwal Maheshwari & Co., Chartered Accountants have been appointed as Statutory Auditors of the Company 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 2017-18.

CASH FLOW STATEMENT

In conformity with the provisions of Clause 34 of the SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year 2017-18 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 2017-18 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.

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 31.03.2018.



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: 25.05.2018

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, 2018
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 from Financial Activities	64990	97.00%

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 31.03.2017				No. of Shares held at the end of the year 31.03.2018				% 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%	749195	0	749195	17.63%	6.83%
(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%	1720312	0	1720312	40.48%	-7.43%
(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%	2469507	0	2469507	58.11%	-0.60%
(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%	2469507	0	2469507	58.11%	-0.60%
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) FII's	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	1033981	4300	1038281	24.43%	1037262	4300	1041562	24.51%	0.08%
(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	165337	105481	270818	6.37%	216640	103406	320046	7.53%	1.16%
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	439029	0	439029	10.33%	407721	0	407721	9.59%	-0.74%
(c) Others (specify)									
(i) NRI/OCBs	3000	2400	5400	0.13%	4000	2400	6400	0.15%	0.02%
(ii) Clearing Memb/Cor	1460	0	1460	0.03%	4764	0	4764	0.11%	0.08%
Sub-total (B2):-	1642807	112181	1754988	41.29%	1670387	110106	1780493	41.89%	0.60%
Total Public Shareholding (B) = (B1 + B2)	1642807	112181	1754988	41.29%	1670387	110106	1780493	41.89%	0.60%
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)	4137819	112181	4250000	100%	4139894	110106	4250000	100%	0%

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 31.03.2017			Share holding at the end of the year 31.03.2018			% 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%	0	0.00%	0.00%	-5.51%
2	Basera Abasan LLP	0	0.00%	0.00%	234383	5.51%	0.00%	5.51%
3	Kit Commercial Pvt. Ltd.	322700	7.59%	0.00%	322700	7.59%	0.00%	0.00%
4	Mahant Vanijya Pvt. Ltd.	800429	18.83%	0.00%	800429	18.83%	0.00%	0.00%
5	Naman Barter Pvt. Ltd.	172800	4.07%	0.00%	172800	4.07%	0.00%	0.00%
6	Pragma Estates Pvt. Ltd.	190000	4.47%	0.00%	0	0.00%	0.00%	-4.47%
7	Pragma Estates LLP	0	0.00%	0.00%	190000	4.47%	0.00%	4.47%
8	Raga Commercial Pvt. Ltd.	315700	7.43%	0.00%	0	0.00%	0.00%	-7.43%
9	Gayatri Gupta	18800	0.44%	0.00%	18800	0.44%	0.00%	0.00%
10	Krishna Kant Jha	76100	1.79%	0.00%	51195	1.20%	0.00%	-0.59%
11	Sanjay Kumar Gupta	185700	4.37%	0.00%	185100	4.36%	0.00%	-0.01%
12	Shreya Gupta	178400	4.20%	0.00%	178400	4.20%	0.00%	0.00%
13	Shree Securities	0	0.00%	0.00%	315700	7.43%	0.00%	7.43%
	TOTAL	2495012	58.71%	0.00%	2469507	58.11%	0.00%	-0.60%

**(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				
	Date Reason				
	18/12/2017 Co. converted into LLP	-234383	-5.51%	-234383	-5.51%
	c) At the End of the Year			0	0.00%
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				
	Date Reason				
	25/08/2017 Transfer	-10	0.00%	76090	1.79%
	06/10/2017 Transfer	-281	-0.01%	75809	1.78%
	27/10/2017 Transfer	-852	-0.02%	74957	1.76%
	17/11/2017 Transfer	-2047	-0.05%	72910	1.72%
	24/11/2017 Transfer	-5545	-0.13%	67365	1.59%
	01/12/2017 Transfer	-3482	-0.08%	63883	1.50%
	08/12/2017 Transfer	-1000	-0.02%	62883	1.48%
	19/01/2018 Transfer	-500	-0.01%	62383	1.47%
	02/03/2018 Transfer	-1008	-0.02%	61375	1.44%
	23/03/2018 Transfer	-8680	-0.20%	52695	1.24%
	31/03/2018 Transfer	-1500	-0.04%	51195	1.20%
	c) At the End of the Year			51195	1.20%
5	MAHANT VANIJYA PVT LTD				
	a) At the Beginning of the Year	800429	18.83%		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	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	PRAGMA ESTATES PRIVATE LIMITED				
	a) At the Beginning of the Year	190000	4.47%		
	b) Changes during the year				
	Date Reason				
	18/12/2017 Co. converted into LLP	-190000	-4.47%	-190000	-4.47%
	c) At the End of the Year			0	0.00%



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
8	RAGA COMMERCIAL PVT LTD				
	a) At the Beginning of the Year	315700	7.43%		
	b) Changes during the year				
	Date Reason				
	14.04.2017 - Transfer	-315700	-7.43%	0	0.00%
	c) At the End of the Year			0	0.00%
9	SANJAY KUMAR GUPTA				
	a) At the Beginning of the Year	185700	4.37%		
	b) Changes during the year				
	Date Reason				
	16.03.2018 - Transfer	-600	-0.01%	185100	4.36%
	c) At the End of the Year			185100	4.36%
10	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%
11	BASERA ABASAN LLP				
	a) At the Beginning of the Year	0	0.00%		
	b) Changes during the year				
	Date Reason				
	18/12/2017 Co. converted into LLP	234383	5.51%	234383	5.51%
	c) At the End of the Year			234383	5.51%
12	PRAGMA ESTATES LLP				
	a) At the Beginning of the Year	0	0.00%		
	b) Changes during the year				
	Date Reason				
	18/12/2017 Co. converted into LLP	190000	4.47%	190000	4.47%
	c) At the End of the Year			190000	4.47%
13	Shree Securities				
	a) At the Beginning of the Year	0	0.00%		
	b) Changes during the year				
	Date Reason				
	16.03.2018 - Transfer	315700	7.43%	315700	7.43%
	c) At the End of the Year			315700	7.43%
	TOTAL	2469507	58.11%	2469507	58.11%

**(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	[NO 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	[NO 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	[NO 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	[NO 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	[NO 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	[NO 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	[NO 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	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	61450	1.45%	61450	1.45%



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
9 SANATAN SHARMA					
	a) At the Beginning of the Year	61450	1.45%	61450	1.45%
	b) Changes during the year	[NO 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	[NO 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	[NO 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	[NO 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	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	59450	1.40%	59450	1.40%
14 Manoj Gupta					
	a) At the Beginning of the Year	0	0.00%	0	0.00%
	b) Changes during the year	33656	0.79%	33656	0.79%
	c) At the End of the Year	33656	0.79%	33656	0.79%
15 DINESH KUMAR JAIN					
	a) At the Beginning of the Year	18739	0.44%	18739	0.44%
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	18739	0.44%	18739	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				
	Date Reason				
	16.03.2018 - Transfer	-600	-0.01%	185100	4.36%
	c) At the End of the Year			185100	4.36%
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	363500	8.55%	363500	8.55%

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	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
Change in Indebtedness during the financial year				
• Addition	132324609	153627423	0	285952032
• Reduction	148471020	207799219	0	356270239
Net Change	-16146411	-54171796	0	-70318207
Indebtedness at the end of the financial year				
i) Principal Amount	3798640	12113374	0	15912014
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	1408833	0	1408833
Total (i+ii+iii)	3798640	13522207	0	17320847

**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 Mr. Sanjay Kumar Gupta	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under	1500000 0 0	1500000 0 0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0 0	0 0
5	Others, please specify	0	0
	Total (A)	1500000	1500000
	Ceiling as per the Act	Approved as per Sec. 196, 197 & 198 in AGM of 26.09.2017	

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director Aloke Kumar Gupta	Total Amount
1	Independent Directors	-	-
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (1)	0	0
2	Other Non-Executive Directors	15,00,000	15,00,000
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (2)	15,00,000	15,00,000
	Total (B)=(1+2)	15,00,000	15,00,000
	Total Managerial Remuneration (A+B)		30,00,000
	Overall Ceiling as per the Act	Approved as per Sec. 196, 197 & 198 in AGM of	

**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 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under	161000 0 0	675000 0 0	836000 0 0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	. Commission - as % of profit - others, specify...	0 0	0 0	0 0
5	Others, please specify	0	0	0
	Total (A)	161000	675000	836000

* Ms. Raveena Goel ceases as a CFO of the Company wef 26.09.2017

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL



**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST DAY OF MARCH, 2018
[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, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2018** according to the provisions of:

- I. The Companies Act, 2013(the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 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. Parul Rajgaria has been appointed as the Chief Financial Officer of the Company w.e.f. 26.09.2017.

Place: Kolkata
Date: 25.05.2018

For K. Arun & Co
Company Secretaries
Minu Tulsian
Partner
C.P. No.: 16669



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Directors Have Pleasure in presenting the Management Discussion and Analysis Report for the year ended on 31st March, 2018. This Report has been included in consonance with the Code Of Corporate Governance as approved by the Securities And Exchange Board Of India (SEBI).

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) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

The overall GDP growth seen by the Indian economy during the financial year that ended on March 31, 2018, stood at 6.7 per cent, according to the government data. The Indian economy had posted the GDP growth of 7.1 per cent for the previous financial year. . In addition to the introduction of GST, the year also witnessed significant steps being undertaken towards resolution of problems associated with non-performing assets of the banks, further liberalization of FDI, etc., thus strengthening the momentum of reforms. After remaining in negative territory for a couple of years, growth of exports rebounded into positive one during 2016-17 and strengthened further in 2017-18

INDUSTRY OVERVIEW

CV sales fell in the first six months of FY18 (April to September), due to demonetisation, implementation of the goods and services tax (GST) and the transition to new emission standards. Turnaround came in the third and fourth quarters of the year ended March 31, 2018. Ratings agency ICRA says the heavy CV (truck) segment outperformed the industry average at 28 per cent growth, to 212,000 units.

The Indian Commercial Vehicle (CV) Industry is the lifeline of the economy. About two-thirds of goods and 87% of the passenger traffic in the country moves via road. Past trends have shown that CV demand is closely correlated with GDP growth rate (more strongly with the Index of Industrial Production, IIP) of the country and therefore, it is believed that a phase of growth or slowdown in CV demand is a harbinger of an upturn or downturn in the economy respectively.

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's internal control framework supports the execution of its strategy and ensures regulatory compliance. The foundation for internal control is set by the risk management framework, financial control, internal audit and supporting policies.

The aim of the Company's internal control framework is to assure that operations are effective and well aligned with the strategic goals. The internal control framework is intended to ensure correct,



reliable, complete and timely financial reporting and management information. The framework endorses ethical values, good corporate governance and risk management practices.

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 Company ensures that all the risk associated with the functioning of the Company are identified, controlled and mitigated. The Company lays down procedures regarding managing and mitigating the risk through Integrated Risk Management Systems, Strategies and policies. Your Company has built a robust risk management framework over the years. Engaged, as it is, in retail financing, the Company has to manage various risks, such as credit risk, liquidity risk, interest rate risk and operational risk. The Company manages credit risk through stringent credit norms. The liquidity and interest rate risk are managed through regular monitoring of the market. Operational risks are addressed by the internal control systems and are continuously reviewed and monitored.

HUMAN RESOURCES

Your Company believes that its greatest assets are its people and Training is an investment in long term people development, for organisational excellence. During the year under review, your Company has taken several new initiatives to ensure that the knowledge and wisdom gained over decades is handed down to the next generation of employees.

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 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, 2018**, 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. 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.



Other Matter

standalone financial statements of the Company as at and for the year ended 31 March 2017 was audited by another auditor whose report dated 30 May 2017, expressed an unqualified opinion on those financial statements. The balances as at 31 March 2017 as per the audited financial statements, regrouped and/ or reclassified wherever necessary, have been considered as opening balances for the purpose of these standalone financial statements.

Opinion

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, 2018**
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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the 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.

For, AGARWAL MAHESWARI & CO.
Chartered Accountants
Firm Reg. No. : 314030E

Place: Kolkata

Dated: The 25th day of May, 2018

[CA. APURVA MAHESWARI]
Partner
Membership No. 304538



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, 2018.

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. According to the information and explanations given to us The Company does not have any Inventory. Therefore, the provisions of Clause (ii) of paragraph 3 of the CARO 2016 are not applicable to the Company.
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, 2018 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, 2018 on account of dispute are given below :



Sl. No.	Name of Statute	Nature of Dues	Amount in `	Period	Forum where dispute is pending
1.	Finance Act, 1994	Service Tax	26,81,414/-	A. Y. 2003-08	Commissioner of Service Tax – Kolkata
2.	Income Tax Act, 1961	Income Tax	12,56,340/-	A.Y. 2013-14	CIT (Appeal) – 21 / Kolkata
3.	Income Tax Act, 1961	Income Tax	6,15,010/-	A.Y. 2014-15	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, AGARWAL MAHESWARI & CO.
Chartered Accountants
Firm Reg. No. : 314030E

Place: Kolkata
Dated: The 25th day of May, 2018

[CA. APURVA MAHESWARI]
Partner
Membership No. 304538



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, 2018** 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants Of India.

For, AGARWAL MAHESWARI & CO.

Chartered Accountants

Firm Reg. No. : 314030E

Place: Kolkata

Dated: The 25th day of May, 2018

[CA. APURVA MAHESWARI]

Partner

Membership No. 304538

**BALANCE SHEET AS AT 31ST MARCH, 2018**

<u>Particulars</u>	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)
A. <u>EQUITY AND LIABILITIES</u>			
1. <u>Shareholders' Fund</u>			
(a) Share Capital	2	4,25,00,000	4,25,00,000
(b) Reserves and Surplus	3	17,93,33,871	15,86,02,736
		22,18,33,871	20,11,02,736
2. <u>Non-Current Liabilities</u>			
(a) Long-Term Borrowings	4	1,21,13,374	6,62,85,170
(b) Long-Term Provisions	5	1,48,168	1,67,153
		1,22,61,542	6,64,52,323
3. <u>Current Liabilities</u>			
(a) Short-Term Borrowings	6	37,98,640	1,99,45,051
(b) Other Current Liabilities	7	27,98,768	1,12,82,104
(c) Short-Term Provisions	8	13,77,016	2,95,903
		79,74,424	3,15,23,058
TOTAL		24,20,69,837	29,90,78,117
B. <u>ASSETS</u>			
1. <u>Non-Current Assets</u>			
(a) Fixed Assets			
-Tangible Assets	9	37,35,195	50,35,033
(b) Non-Current Investments	10	4,50,38,245	5,64,77,282
(c) Deferred Tax Assets (Net)	1.B.4	9,35,644	6,80,265
(d) Long-Term Loans and Advances	11	6,12,50,886	6,95,70,949
(e) Other Non-Current Assets	12	3,139	3,139
		11,09,63,109	13,17,66,668
2. <u>Current Assets</u>			
(a) Trade Receivables	13	350	4,19,470
(b) Cash and Cash Equivalents	14	67,47,890	2,35,37,198
(c) Short-Term Loans and Advances	15	12,43,58,488	14,33,54,781
		13,11,06,728	16,73,11,449
TOTAL		24,20,69,837	29,90,78,117

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, AGARWAL MAHESWARI & CO.
Chartered Accountants

For and on behalf of the Board

[CA. APURVA MAHESWARI]

Partner

FRN: 314030E, M. NO: 304538

78, Bentinck Street,
3rd Floor, Suite No. 1C,
Kolkata - 700 001.

Dated : The 25th day of May, 2018

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2018**

<u>Particulars</u>	Note No.	For the year ended 31st March, 2018 (`)	For the year ended 31st March, 2017 (`)
1. Revenue from Operations	16	3,88,90,951	3,72,21,039
2. Other Income	17	1,32,88,256	2,19,35,313
3. Total Revenue (1+2)		5,21,79,207	5,91,56,352
4. Expenses			
(a) Employee Benefits Expense	18	66,28,626	58,56,354
(b) Finance Costs	19	48,32,333	86,76,262
(c) Depreciation and Amortisation Expense	9	14,53,699	17,64,060
(d) Other Expenses	20	1,22,69,239	1,94,86,802
(e) Provision for Standard Assets		-41,996	1,17,418
(f) Provision for Bad and Doubtful Debts		11,04,124	0
5. Total Expenses		2,62,46,025	3,59,00,896
6. Profit Before Tax (3 - 5)		2,59,33,182	2,32,55,456
7. Tax Expense:			
(a) Tax Expense for Current Year		52,68,789	50,73,436
(b) Security Transaction Tax		1,88,637	2,11,788
(c) Deferred Tax Liability (Assets)		-2,55,379	2,97,130
		52,02,047	55,82,354
8. Profit For The Year (6 - 7)		2,07,31,135	1,76,73,102
9. Earnings per share (of ` 10 /- each):			
Basic / Diluted	1.B.6	<u>4.88</u>	<u>4.16</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, AGARWAL MAHESWARI & CO.
Chartered Accountants

For and on behalf of the Board

[CA. APURVA MAHESWARI]
Partner

FRN: 314030E, M. NO: 304538

78, Bentinck Street,
3rd Floor, Suite No. 1C,
Kolkata - 700 001.

Dated : The 25th day of May, 2018

**Cash Flow Statement for The Year Ended 31st March, 2018**

	March 31,2018	March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES	(`)	(`)
Net Profit before Tax & Extra ordinary items & interest	3,07,65,515	3,19,31,718
Adjustment for :		
Depreciation	14,53,699	17,64,060
Contingent Provision against Standard Assets	(41,996)	1,17,418
Provision for Bad & Doubtful Debts	11,04,124	0
Extra Ordinary Items	0	0
Profit/ Loss on Sale of Fixed Assets	(9,75,200)	(77,59,222)
	3,23,06,142	2,60,53,974
Operating Profit before Working Capital changes		
Adjustment for:		
Long Term Loans and Advances	83,20,063	(3,65,80,246)
Trade Receivables	4,19,120	(4,19,470)
Short Term Loans and Advances	1,89,96,293	45,98,304
Other Non Current Assets	0	10,000
Other Long Term Liabilities	0	0
Other Current Liabilities	(84,83,336)	(19,91,810)
Cash generated from Operation	5,15,58,282	(83,29,248)
Interest Paid	(48,32,333)	(86,76,262)
Tax Paid	(54,57,426)	(52,85,224)
Net Cash from Operating activities (A)	4,12,68,523	(2,22,90,734)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(22,07,411)	(16,73,483)
Sale of Fixed Assets	30,28,750	1,00,00,000
Sale of Investments	1,14,39,037	61,48,307
Net Cash from Investing activities (B)	1,22,60,376	1,44,74,824
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loans borrowed (Net of repayments)	(7,03,18,207)	70,52,108
Net Cash from Financing activities (C)	(7,03,18,207)	70,52,108
Net increase in Cash and Cash equivalent (A+B+C)	(1,67,89,308)	(7,63,802)
Cash and Cash equivalents at the begining of the year	2,35,37,198	2,43,01,000
Cash & Cash equivalents of close of the year	67,47,890	2,35,37,198

In terms of our report on even date

For, AGARWAL MAHESWARI & CO.
Chartered Accountants

For and on behalf of the Board

[CA. APURVA MAHESWARI]
Partner

FRN: 314030E, M. NO: 304538

78, Bentinck Street,
3rd Floor, Suite No. 1C,
Kolkata - 700 001.

Dated : The 25th day of May, 2018



Notes forming part of the financial statements for the year ended 31st March,2018.

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) Property, Plant and Equipments and Depreciation

Property, Plant and Equipments are stated at Cost less Depreciation.

Depreciation on Property, Plant and Equipments are 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,

(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 Doubtfull assets and as per prudential Norms of Reserve Bank of India, required provision has been made.



Notes forming part of the financial statements for the year ended 31st March,2018.

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 realised.

(8) Gratuity

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



Notes forming part of the financial statements for the year ended 31st March,2018.

(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 Standard (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 & CFO

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,2018.**

Particulars of Transactions				(`)
Nature of Transactions	(a)	(b)	(c)	Total
Salary paid	3836000	NIL	NIL	3836000
	<i>1470000</i>	<i>NIL</i>	<i>NIL</i>	<i>1470000</i>
Interest Paid	2201	0	1850863	1853064
	<i>114181</i>	<i>69797</i>	<i>3059071</i>	<i>3173252</i>
Interest Received	384	NIL	484801	485185
	<i>5819</i>	<i>NIL</i>	<i>527263</i>	<i>533082</i>
Rent Paid	NIL	NIL	132000	132000
	<i>NIL</i>	<i>NIL</i>	<i>132000</i>	<i>132000</i>
Net Borrowings and Net of Loans Given	(455336)	0	(37894929)	(38350265)
	<i>(1343930)</i>	<i>(62817)</i>	<i>(24916632)</i>	<i>(26260562)</i>
Balances outstanding at the end of the year				
Borrowings & Advances	0	NIL	1,08,42,207	10842207
	<i>452751</i>	<i>NIL</i>	<i>39568467</i>	<i>40021218</i>
Loans Given	NIL	NIL	43,82,321	4382321
	<i>NIL</i>	<i>NIL</i>	<i>11548892</i>	<i>11548892</i>

Note: Figures in Italic are those for previous year

(4) Deffered Tax Assets

In terms of Accounting Standard 22, issued by the Institute of Chartered Accountants of India, For the Current Year, there is a net Deferred Tax Assets of ` 2,55,379/-. The Deffered Tax Assets as on 31st March, 2018 was ` 9,35,644/- 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 31.03.2018	Year Ended on 31.03.2017
Total No. of Shares	Nos.	42,50,000	42,50,000
Profit(Loss) After Tax	`	2,07,31,135	1,76,73,102
Earning Per Share	`	4.88	4.16



Notes forming part of the financial statements for the year ended 31st March,2018.

- (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 reversed provision of ` 41,996/- during the year against Standard Assets which has been credited to Profit & Loss Account.
- (8) **Contingent Liabilities :** **NIL**
- (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 ` 12.5 Lakhs for the Assessment Year 2013-14 for which the case is pending before CIT (Appeals) – 21/Kolkata.
- (iii) The company has received a demand order from the Income Tax Department of ` 6.15 Lakhs for the Assessment Year 2014-15 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 confirm to the current year's classification.

**Notes forming part of the financial statements for the year ended 31st March, 2018.****Note - 2 : Share Capital****(a) Authorised, Issued, Subscribed and Paid-Up Share Capital**

<u>Particulars</u>	<u>As at 31st March, 2018</u>		<u>As at 31st March, 2017</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	62,50,000	6,25,00,000	62,50,000	6,25,00,000
	62,50,000	6,25,00,000	62,50,000	6,25,00,000
<u>Issued, Subscribed and Fully Paid- Up</u>				
Equity Shares of ? 10 each with voting rights	42,50,000	4,25,00,000	42,50,000	4,25,00,000
Total	42,50,000	4,25,00,000	42,50,000	4,25,00,000

(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, 2018</u>			
- Number of Shares	42,50,000	0	42,50,000
- Amount (`)	4,25,00,000	0	4,25,00,000
<u>Year ended 31st March, 2017</u>			
- Number of Shares	42,50,000	0	42,50,000
- Amount (`)	4,25,00,000	0	4,25,00,000

(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, 2018</u>		<u>As at 31st March, 2017</u>	
	<u>Number</u>	<u>% age</u>	<u>Number</u>	<u>% age</u>
<u>Equity shares with voting rights</u>				
KIT COMMERCIAL (P) LTD	3,22,700	7.59	3,22,700	7.59
RAGA COMMERCIAL PVT LTD	0	0	3,15,700	7.43
BASERA ABASAN LLP	2,34,383	5.52	2,34,383	5.52
SHREE SECURITIES	3,15,700	7.43	0	0
MAHANT VANIJYA PVT. LTD.	8,00,429	18.83	8,00,429	18.83

**Notes forming part of the financial statements for the year ended 31st March, 2018.**

<u>Particulars</u>	As At 31st March, 2018 (`)	As At 31st March, 2017 (`)
<u>Note - 3 : Reserves and Surplus</u>		
(a) <u>Statutory Reserve</u>		
Balance at the beginning of the year	2,61,16,278	2,25,81,658
Add: Additions during the year	41,46,227	35,34,620
Less: Utilised / transferred during the year	0	0
Closing Balance	3,02,62,505	2,61,16,278
(b) <u>Securities Premium Account</u>		
Balance at the beginning of the year	2,51,37,500	2,51,37,500
(c) <u>Surplus / (Deficit) in Statement of Profit & Loss</u>		
Opening Balance	10,73,48,958	9,32,10,476
Add: Profit / (Loss) for the year	2,07,31,135	1,76,73,102
	12,80,80,093	11,08,83,578
Less: Transferred to Statutory Reserve	41,46,227	35,34,620
Closing Balance	12,39,33,866	10,73,48,958
Grand Total (a+b+c)	17,93,33,871	15,86,02,736

Note - 4 : Long-Term Borrowings

(a) Loans from other Body Corporates		
- Unsecured	1,21,13,374	6,59,34,028
(For Related Party - Refer Note 1.B.3)		
(b) Loans from Director		
- Unsecured (Refer Note 1.B.3)	0	3,51,142
Total	1,21,13,374	6,62,85,170

Note - 5 : Long-Term Provisions

(a) Contingent Provision against Standard Assets [As per RBI Directions dated 17.01.2011]	1,48,168	1,67,153
Total	1,48,168	1,67,153

**Notes forming part of the financial statements for the year ended 31st March,2018.**

<u>Particulars</u>	As at 31st March, 2018 (`)	As at 31st March, 2017 (`)
--------------------	------------------------------------	------------------------------------

Note - 6 : Short-Term Borrowings

(a) <u>Loans repayable on demand From Banks</u>		
- Secured		
Cash Credit from Tata Capital Fncl Serv	0	25,00,000
Overdraft from SBI	37,98,640	1,74,45,051
Total	37,98,640	1,99,45,051

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 given by third party.

Note - 7 : Other Current Liabilities

(a) Current Maturities of Long-Term Debt	14,08,833	59,86,391
- (Refer Note 7.1 below)		
(b) <u>Other Payables</u>		
(i) Liabilities for Expenses	3,54,803	3,36,100
(ii) TDS Payble	4,19,614	9,33,195
(iii) Advance Initial Hire	0	2,50,000
(iv) Trade / Security Deposits Received	0	7,00,153
(v) Advances from Customers	2,97,000	5,26,981
(vi) Other Payables	57,353	3,74,284
(vii) Advance against Properties	2,61,165	21,75,000
Total	27,98,768	1,12,82,104

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

(a) Loans from Other Body Corporate		
- Unsecured	14,08,833	58,84,782
(For Releted Party - Refer Note 1.B.3)		
(b) Loans from Director		
- Unsecured (Refer Note 1.B.3)	0	1,01,609
Total	14,08,833	59,86,391

Note - 8 : Short-Term Provisions

(a) Contingent Provision against Standard Assets	2,72,892	2,95,903
(b) Provision for Bad & Doubtful Debts	11,04,124	0
Total	13,77,016	2,95,903



Notes forming part of the financial statements for the year ended 31st March, 2018.

Note - 9 : Fixed Assets

(`)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Balance as at 01-04-2017	Addition	Deduction	Balance as at 31-03-2018	Balance as at 01-04-2017	For The Year	Adjustment	Balance as at 31-03-2018	Balance as at 31-03-2017
Property, Plant and Equipments									
(a) Land & Building	17,36,840	0	17,36,840	0	3,52,638	67,379	4,20,017	0	13,84,202
(b) Furniture & Fixture	4,32,227	16,787	0	4,49,014	2,54,469	46,713	0	3,01,182	1,77,758
(c) Vehicles	89,91,024	20,96,324	17,04,060	93,83,288	60,68,379	11,41,704	9,67,333	62,42,750	29,22,645
(d) Office Equipment	4,51,719	0	0	4,51,719	4,08,012	13,503	0	4,21,515	43,707
(e) Computer	7,24,992	25,000	0	7,49,992	6,52,693	36,470	0	6,89,163	72,299
(f) Air Conditioner	7,22,900	0	0	7,22,900	4,54,874	73,644	0	5,28,518	2,68,026
(g) Refrigerator	92,000	0	0	92,000	68,766	6,774	0	75,540	23,234
(h) Electric Equip. & Fittings	1,70,271	69,300	0	2,39,571	1,61,757	7,618	0	1,69,375	8,514
(i) Cellular Phone	4,43,812	0	0	4,43,812	3,09,164	59,894	0	3,69,058	1,34,648
GRAND TOTAL	1,37,65,785	22,07,411	34,40,900	1,25,32,296	87,30,752	14,53,699	13,87,350	87,97,101	50,35,033
PREVIOUS YEAR	1,53,25,007	16,73,483	32,32,705	1,37,65,785	79,58,619	17,64,060	9,91,927	87,30,752	50,35,033



Notes forming part of the financial statements for the year ended 31st March, 2018.

Note - 10 : Non - Current Investments

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	(`)	(`)	(`)	(`)	(`)	(`)
<u>Non Trade Investments</u>						
(a) Investment in Equity Instruments						
- of Various entities	4,50,37,899	0	4,50,37,899	5,64,69,182	8,100	5,64,77,282
(b) In 6% Pref. Sh. of Zee Entrn. - Bonus	0	0	0	0	0	0
(c) In 8.49% NTPC Debenture - Bonus	0	0	0	0	0	0
(d) In Reliance ETF Liquid BeES	346	0	346	0	0	0
Total	4,50,38,245	0	4,50,38,245	5,64,69,182	8,100	5,64,77,282
Less: Provision for diminution in value of investments			0			0
Total			4,50,38,245			5,64,77,282
Aggregate market value of quoted Investment			5,55,59,803			7,45,31,045



PARAGON FINANCE LIMITED (CIN) L65921WB1986PLC040980

**Notes forming part of the financial statements for the year ended 31st March,2018.**

<u>Particulars</u>	As at 31st March, 2018 (`)	As at 31st March, 2017 (`)
<u>Note - 11 : Long-Term Loans and Advances</u>		
(a) Loans against Security of Vehicles		
- Secured, Considered Good	5,92,67,385	6,68,61,000
(b) <u>Balances with Government Authorities</u>		
(i) Advance Income Tax including TDS/TCS (Net of Provisions ` 1,72,36,406.00, P/Y - ? 1,28,82,992/-)	13,12,501	20,38,949
(ii) Service Tax	6,71,000	6,71,000
Total	6,12,50,886	6,95,70,949
<u>Note - 12 : Other Non-Current Assets</u>		
(a) Security Deposit	3,139	3,139
Total	3,139	3,139
<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	350	4,19,470
Total	350	4,19,470
<u>Note - 14 : Cash and Cash Equivalents</u>		
(a) Cash on Hand	16,11,248	8,29,253
[As certified by the Management]		
(b) Balances with Banks		
(i) In Current Accounts	39,08,090	24,49,383
(ii) In Fixed Deposits	12,28,552	2,02,58,562
Total	67,47,890	2,35,37,198
<u>Note - 15 : Short-Term Loans and Advances</u>		
(a) Loans against Security of Vehicles		
- Secured, Considered Good	8,52,03,578	8,77,58,767
- Secured, Considered Doubtful	34,61,278	0
(b) Advance to Parties		
- Unsecured, Considered Good	1,16,83,454	1,94,95,000
(c) Other Loans		
- Unsecured, Considered Good (For Related party Refer Note 1.B.3)	2,39,53,371	3,60,13,819
(d) Prepaid Expenses	56,807	87,195
Total	12,43,58,488	14,33,54,781

**Notes forming part of the financial statements for the year ended 31st March,2018.**

<u>Particulars</u>	For the year ended 31st March, 2018 (`)	For the year ended 31st March, 2017 (`)
Note - 16 : Revenue from Operations		
(a) <u>Income Form Financing Activity</u>		
(i) Interest on Loan	24,47,391	37,44,485
(ii) Interest on Loan against security of vehicles	3,64,43,560	3,34,76,554
Total	3,88,90,951	3,72,21,039

Note - 17 : Other Income

(a) <u>Interest Income:</u>		
- Interest from Banks	5,49,560	14,28,016
(b) <u>Dividend Income:</u>		
- From Long-Term Investments	6,93,732	7,81,082
(c) <u>Net Gain on Sale of:</u>		
- Long-Term Investments	50,10,767	39,67,740
- Short-Term Investments	54,73,848	68,07,138
(d) Other Non-Operating Income (Refer note 17.1)	15,60,349	89,51,337
Total	1,32,88,256	2,19,35,313

Note - 17.1 : Other Non-Operating Income Comprises:

Profit on Sale of Fixed Assets	9,75,200	77,59,222
Commission Received	0	2,337
Profit on Vehicle Trade	0	9,38,176
Speculation Profit (Loss)	(5,859)	0
Miscellaneous Income	5,91,008	2,51,602
Total	15,60,349	89,51,337

Note - 18 : Employee Benefits Expense

Salaries and Wages	59,93,982	51,80,596
ESI	1,98,666	0
Staff Welfare Expenses	4,35,978	6,75,758
Total	66,28,626	58,56,354

Note - 19 : Finance Costs

(a) Interest Expense on :		
(i) Bank Loan	8,42,378	14,59,240
(ii) Other Loans	39,89,955	72,17,022
Total	48,32,333	86,76,262

**Notes forming part of the financial statements for the year ended 31st March,2018.**

<u>Particulars</u>	For the year ended 31st March, 2018 (`)	For the year ended 31st March, 2017 (`)
Note - 20 : Other Expenses		
Electricity Charges	4,72,867	5,00,294
Rent	1,32,000	1,32,000
<u>Repairs and Maintenance</u>		
- Others	12,53,868	8,29,379
Insurance	1,04,397	2,17,571
Advertisement	83,408	89,453
Rates and Taxes	68,012	1,16,664
Telephone Charges	2,12,038	3,53,107
Travelling and Conveyance	6,49,187	13,89,917
Printing and Stationery	2,12,749	14,51,411
Commission & Brokerage	50,35,000	80,71,500
Business Promotion	6,23,589	9,74,025
Vehicle Maintenance Expenses	7,50,333	9,91,712
Legal and Professional	2,57,970	6,61,312
Payments to Auditors (Refer Note 20.1 below)	1,89,300	1,77,000
Non-Performing Asset Written Off	7,55,616	15,39,608
Miscellaneous Expenses	14,68,905	19,91,849
Total	1,22,69,239	1,94,86,802

Note - 20.1 : Payment to Auditors Comprises:

As Auditors - Statutory Audit	1,06,200	1,03,500
For Internal Audit	47,700	39,000
For Secretarial Audit	35,400	34,500
Total	1,89,300	1,77,000

In terms of our report on even date

For, AGARWAL MAHESWARI & CO.
Chartered Accountants

For and on behalf of the Board

[CA APURVA MAHESWARI]
Partner

FRN: 314030E, M. NO: 304538

78, Bentinck Street,
3rd Floor, Suite No. 1C,
Kolkata - 700 001.

Dated : The 25th day of May, 2018



(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	450.38
	(b) Preference	NIL
(ii) Debentures and Bonds		NIL
(iii) Units of Mutual funds		0.00
(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

(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	43.82	43.82
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	1,440.50	195.71	1,636.21
Total	1,440.50	239.53	1,680.03

**(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	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	555.60	450.38
Total	555.60	450.38

(7) Other Information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	34.61
(ii) Net Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	23.57
(iii) Assets acquired in satisfaction of debt	NIL

IN TERMS OF OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR, AGARWAL MAHESWARI & CO.
Chartered Accountants

[CA. APURVA MAHESWARI]
Partner
FRN: 314030E, M. NO: 304538

78, Bentinck Street,
3rd Floor, Suite No. 1C,
Kolkata - 700 001.

Dated : The 25th day of May, 2018

Notes :

1. As defined in Paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. 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
3. 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-28th September, 2018)**

I/We hereby record my/our presence at the 32nd **Annual General Meeting** of "Paragon Finance Ltd" to be held at 4/1, Middleton Street, Sikkim House, 4th Floor, Kolkata - 700071 on Friday, 28th Day of September, 2018 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 Friday, 28th Day of September, 2018 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 31.03.2018		
2	to re-appoint Mrs. Shreya Gupta who is liable to retire by rotation as the Director		
Special Resolution			
3	Fixation of Remuneration of Mr. Sanjay Kumar Gupta		
4	Fixation of Remuneration of Mr. Alope Kumar Gupta		

Signed this.....day of.....2018

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