



PARAGON FINANCE LIMITED

Corporate Information

BOARD OF DIRECTORS :

Mr. Sanjay Kumar Gupta	Executive Director
Mr. Alope Kumar Gupta	Non-Executive Director
Mrs. Shreya Gupta	Non-Executive Director
Ms. Sujata Agarwal	Independent Director
Mr. Suvabrato Ganguly	Independent Director
Mr. Sanjay Goenka	Independent Director
Mr. Ravi Agarwalla	Independent Director
Mr. Pradip Kumar Khandelwal	Additional Independent Director
Ms. Parul Rajgaria	Non-Executive Director & Company Secretary

AUDITORS :

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

Registrar & Share Transfer Agent :

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

CONTENTS :

1. Notice	02
2. Directors' Report	10
3. Annexures to the Board Report	17
4. Corporate Governance Report	29
5. Auditors' Report	39
6. Balance Sheet	45
7. Profit & Loss Account	46
8. Cash Flow Statement	47
9. Notes on Accounts	48
10. NBFC Report	61

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

PARAGON FINANCE LIMITED

[CIN - L65921WB1986PLC040980]

Registered Office : "Sikkim House", 4/1, Middleton Street, 4th Floor, Kolkata - 700 071
Phone : 3058 8100, E-mail : paragoncal@gmail.com, Website : www.paragonfinanceltd.com

NOTICE

NOTICE is hereby given that the Twenty Ninth 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 Wednesday, the 30th day of September, 2015 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, 2015 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
- (2) To appoint a Director in place of Mr. Alope Kumar Gupta [DIN - 00825331] who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To ratify the appointment of Auditors, who were appointed in the last AGM for a period of 3 years and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, appointment of M/s. Mandawewala & Co., Chartered Accountants [Firm Registration No. 322130E] be and are hereby ratified at such remuneration as may be determined by the Board of Directors in mutual agreement with the Auditors."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provision of Section 161 of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, Mr. Pradip Kumar Khandelwal [DIN - 00677118], who was appointed as an Additional Director with effect from 14th November, 2014, a non-executive Director of the Company, whose period of office was liable to retire pursuant to the provisions of Section 161 of the said Act and who does not offer himself for re-appointment be not re-appointed as a Director of the Company and the vacancy so caused on the Board of the Company be not filled-up".

5. 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

**ANNUAL REPORT
2014-2015**

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, 2015 till the expiry of his term."

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

NOTES:

1. A Statement pursuant to section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 4 and 5 of the Notice, is annexed hereto.
2. 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 2014-15 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.
3. Members may also note that the Notice of the 29th Annual General Meeting and the Annual report for FY 14-15 will also be available on the Company's website i.e. www.paragonfinanceltd.com.
4. **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

5. Brief resume of the Director who is proposed to be re-appointed, nature of his expertise in specific functional areas, names of companies in which he hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed in this notice.
6. Pursuant to Section 91 of the Companies Act, 2013, Register of shareholders and Share Transfer Books of the Company will remain closed from 24th September, 2015 to 30th September 2015, both days inclusive, for the purpose of the Annual General Meeting.
7. 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.

8. 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 Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 27th September, 2015 (10:00 am) and ends on 29th September, 2015 (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 23rd September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. **The process and manner for remote e-voting are as under:**
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Paragon Finance Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to advshib@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided in the Annexure or at the bottom of the Attendance Slip for this AGM (enclosed herewith).
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI.** In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII.** If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII.** You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX.** The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2015.
- X.** Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI.** A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII.** A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII.** Mr. Shibnath Bhattacharya, Advocate, of 6, Old Post Office Street, Ground Floor, Room No: 29B (2), Kolkata- 700001 has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- XIV.** The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV.** The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI.** The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.paragonfinanceltd.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- 9.** Since e-voting facility (including Ballot Forms) is provided to the Members pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, voting by show of hands are not allowed.

By and on behalf of the Board
Parul Rajgaria
Director & Company Secretary
Date - 31.07.2015
Place - Kolkata

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

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

Item No. 4

In accordance with Section 161 of the Companies Act, 2013, Mr. Pradip Kumar Khandelwal, Independent Additional Director of the Company, retires pursuant to the provisions of Section 161 of the said Act at the ensuing Annual General Meeting, Mr. Pradip Kumar Khandelwal has indicated to the Company that he is not seeking re-appointment due to pre-occupation.

Mr. Pradip Kumar Khandelwal has been on the Board since 14th November, 2014. The Board places on record its sincere appreciation and recognition of the valuable contribution and services rendered by him during his tenure as a Director on the Board of the Company. The Board proposes that the vacancy caused by his retirement be not filled up.

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

Item No. 5

At the 28th Annual General Meeting, Mr. Sanjay Kumar Gupta was re-appointed as Whole-time Director with effect from 26.09.2014 for further period of three years.

The remuneration paid during the financial year 2014-15 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 Whole-time Directors in excess of limits prescribed under the Companies Act, 2013, in case of absence of profits in any financial year.

The Nomination & Remuneration Committee and Board of Directors of the Company at their meeting held on 31st July, 2015, have approved/ratified remuneration paid to the Whole-time Directors for the financial year 2014-15 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 2014-15 and Rs.7,20,000/- as minimum remuneration in case Company has no profits or the profits of the Company are inadequate during any financial years during his remaining tenure as the Whole-time Director, subject to the approval of the shareholders by way of Special Resolution at this general meeting.

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

The Board recommends the resolution for your approval.

Date: 31.07.2015
Place: Kolkata

By Order of the Board
For **Paragon Finance Ltd.**
Parul Rajgaria
Director & Company Secretary

[CIN - L65921WB1986PLC040980]

Name of Director	Mr. Alope Kumar Gupta
Date of Birth	15-08-1959
DIN	00825331
Date of Appointment	21-08-1986
Expertise in specific functional areas.	He is a grass-root financier with close to three decades of experience in all financial matters. He is extremely well connected in the world of business and has a wealth of practical experience in risk assessments. He looks after the operations of the company based out of the Ranchi office.
Qualifications	He is a commerce graduate, having experience of more than 25 years in all financial areas.
Directorship held in other Companies	<ol style="list-style-type: none">1. Basera Abasan Pvt. Ltd.2. Mahant Vanijya Pvt. Ltd.3. Olympia Credits & Mercantile Pvt. Ltd.4. Kit Commerical Pvt. Ltd.5. Naman Barter Pvt. Ltd.6. Paragon Infrastructure Pvt. Ltd.7. Ipsa Credit Pvt. Ltd.
Membership Chairmanship of Committees of other Public Companies (includes only Audit Committees and Shareholder'/Investors' Grievance Committee)	NIL
Shareholdings in the Company	NIL

INTENTIONALLY LEFT BLANK

DIRECTORS' REPORT

To,
The Members of **Paragon Finance Limited**

Dear Members,

The Board of Directors hereby presents the 29th Annual Report on the business and operations of your Company for the year ended 31st March, 2015.

Financial Results :

	Year	₹ in Lacs
	2014-2015	Year
		2013-2014
Total Income	577.16	539.15
Gross Profit	267.10	283.99
Less: Interest	155.00	180.33
Less: Prov. For Standard Assets	(1.58)	(0.95)
Cash Profit	113.68	104.61
Depreciation	28.54	19.46
Profit (Loss) before Tax and Extra-ordinary Items	85.14	85.15
Extra-ordinary Items	0.69	0.00
Profit (Loss) before Tax	84.45	85.15
Provision for Taxation	23.20	23.80
Transfer from Prov. For Deferred Tax	(3.53)	(1.39)
Profit after Tax	64.78	62.73
Add: Profit Brought Forward	841.72	791.54
Profit available for Appropriation	906.50	854.27
Less: Transfer to Statutory Reserve	12.96	12.55
Balance carried to Balance sheet	893.54	841.72
Reserve excl. Revaluation Reserve	1361.11	1296.32

DIVIDEND

The Board has not recommended any dividend for the year.

STATEMENT OF COMPANY'S AFFAIRS

The Income from Operation decreased by 3.73% and Loans against security of vehicles decreased by 35.94% during the year in comparison to the previous year. The Shareholders Funds as on 31.03.2015 were Rs.1786.11Lacs reflecting the inherent financial strength of the Company. We are having three branches in different areas of the India.

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 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, 9(nine) number of Board meetings were held as on 30.04.2014, 17.05.2014, 07.08.2014, 14.08.2014, 26.09.2014, 14.11.2014, 19.01.2015, 03.02.2015 and 24.03.2015 details of which are given below:

Name of Directors	No. of meeting attended
Mr. Sanjay Kumar Gupta	9
Mr. Alope Kumar Gupta	8
Mr. Manoj Kumar Gupta *	2
Mrs. Reena Gupta *	2
Mrs. Shreya Gupta	7
Ms. Sujata Agarwal	7
Mr. Sanjay Goenka	8
Mr. Suvabrato Ganguly	7
Mr. Ravi Agarwalla	8
Mr. Pradip Kumar Khandelwal	2
Mr. Nirmal Bazaz	3
Ms. Parul Rajgaria	7

Information after 31.03.2015

*Mr. Manoj Kumar Gupta & Mrs. Reena Gupta ceases to be Director in the Company wef 30.04.2015.

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	Mr. Suvabrato Ganguly*	Member
3	Mr. Manoj Kumar Gupta*	Member
4	Mrs. Sujata Agarwal*	Member
5	Mr. Sanjay Kumar Gupta*	Member

During the year, the Committee had met on 17.05.2014, 14.08.2014, 14.11.2014 and 03.02.2015.

*The Members of the Committee was rearranged as on 07.08.2014 in the Board Meeting and hence Mr. Sanjay Kumar Gupta & Mrs. Sujata Agarwal became the members of the Audit Committee in place of Mr. Suvabrato Ganguly and Mr. Manoj Kumar Gupta.

• **Vigil mechanism**

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

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

b. Nomination & Remuneration Committee

Sl. No.	Name	Chairman/ Members
1	Mrs. Sujata Agarwal	Chairman
2	Mr. Sanjay Goenka	Member
3	Ms. Parul Rajgaria	Member

During the year, the Committee had met on 14.08.2014, 14.11.2014 and 19.01.2015.

c. Stakeholders Relationship Committee

Sl. No.	Name	Chairman/ Members
1	Mrs. Sujata Agarwal	Chairman
2	Ms. Parul Rajgaria	Member

During the year, the Committee had met on 14.08.2014, 14.11.2014, 03.02.2015 and 09.03.2015.

The name of Shareholders / Investors Grievance Committee has been changed to Stakeholders Relationship Committee as per the provisions of Companies Act, 2013.

The Members of the Committee was rearranged as on 07.08.2014 in the Board Meeting and hence Ms. Parul Rajgaria became the member of the Committee in place of Mr. Sanjay Goenka and Mr. Alope Kumar Gupta.

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, 2015 and of the Profit and Loss of the Company for the said period;
- (3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (4) The Annual Accounts of the Company has been prepared on a going concern basis.

- (5) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (6) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS & KEY MANAGERIAL PERSONNEL

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

The proposal regarding the re- appointment of Mr. Alope Kumar 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 49(VIII) (E) (1) of the Listing Agreement, 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.

In accordance with the provisions of section 161(1) of the Companies, Act, 2013, Mr. Pradip Kumar Khandelwal, Additional Director, liable to retire at the ensuing Annual General Meeting, has indicated to the Company that he is not seeking re-appointment due to pre-occupation.

The Board places on record its sincere appreciation and recognition of the valuable contribution and services rendered by him during his tenure as a Director on the Board of the Company. The Board proposes that the vacancy caused by his retirement be not filled up.

During the year, Mr. Sanjay Goenka, Mr. Suvabrato Ganguly, Mr. Ravi Agarwalla and Ms. Sujata Agarwal have been appointed as an Independent Directors for term of 5 years with effect from 26.09.2014. Also, Mr. Sanjay Kumar Gupta and Mr. S N Khemka have been appointed as Chief Executive Officer and Chief Financial Officer with effect from 26.09.2014 and 14.08.2014 respectively. Further, Mrs. Shreya Gupta and Ms. Parul Rajgaria have been appointed as Non-Executive Directors with effect from 26.09.2014.

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 Clause 49 of the Listing Agreement.

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, 2015, the board consists of 11 members, one of whom is executive or whole time director, two of whom are KMP, two of whom are Non-Executive directors and 6 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 2014-15 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 last AGM held on 26.09.2014, M/s. Mandawewala & Co., Chartered Accountants have been appointed as Statutory Auditors of the Company for a period of 3 years. Ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

Further, the report of the Statutory Auditors alongwith notes forming part of the Company's accounts as given under Notes (No. 1 - 21) are enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges, the Cash Flow Statement for the year 2014-15 is annexed hereto.

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 nation wide nationwide trading terminal under SEBI (ICDR) regulations, 2009. The Listing fees to the Stock Exchanges for the year 2014-15 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 Listing Agreement in Annexure 3.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report, Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report. A note on the Company's corporate sustainability initiatives is also included.

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.

c) FOREIGN EXCHANGE EARNING AND OUTGO	(₹ In Lacs)
I) Foreign Exchange Earnings	NIL
II) Foreign Exchange outgo	1.14

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 by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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.

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 : 29.05.2015

For and on behalf of the Board of Directors
Sanjay Kumar Gupta
Executive Director

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015
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, 033-30588100, 30583100
- vi) Whether listed company Yes
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA) -
Niche Technologies Pvt. Ltd., 71, B.R.B.Basu Road, 5th Floor, Kolkata - 700 001.
Dial : 033-22357270/71/3070

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Interest on Loan	6511	96.88
2.	Income from Investment in Shares	6599	10.45

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

VI. 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 31.03.2014				No. of Shares held at the end of the year 31.03.2015				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	319800	0	319800	7.52%	459000	0	459000	10.80%	3.28%
(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.	1846012	0	1846012	43.44%	1846012	0	1846012	43.44%	0.00%
(e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
(f) Any Other....	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-total (A1) :-	2165812	0	2165812	50.96%	2305012	0	2305012	54.24%	3.28%
(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)	2165812	0	2165812	50.96%	2305012	0	2305012	54.24%	3.28%
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) Fills	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	1277681	5800	1283481	30.20%	1285243	5800	1291043	30.38%	0.18%
(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. Rs. 1 lakh	165461	111181	276642	6.51%	159390	109181	268571	6.32%	-0.19%
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	518365	0	518365	12.20%	379454	0	379454	8.93%	-3.27%
(c) Others (specify)									
(i) NRI/OCBs	3000	2400	5400	0.13%	3000	2400	5400	0.13%	0.00%
(ii) Clearing Memb/Cor	300	0	300	0.01%	520	0	520	0.01%	0.01%
Sub-total (B2) :	1964807	119381	2084188	49.04%	1827607	117381	1944988	45.76%	-3.28%
Total Public Shareholding (B) = (B1+B2)	1964807	119381	2084188	49.04%	1827607	117381	1944988	45.76%	-3.28%
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)	4130619	119381	4250000	100.00%	4132619	117381	4250000	100.00%	0.00%

**ANNUAL REPORT
2014-2015**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 31.03.2014			Share holding at the end of the year 31.03.2015			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / to total Shares	
1.	Basera Abasan Pvt. Ltd.	234383	5.51%	0.00%	234383	5.51%	0.00%	0.00%
2.	Kit Commercial Pvt. Ltd.	322700	7.59%	0.00%	322700	7.59%	0.00%	0.00%
3.	Mahant Vanijya Pvt. Ltd.	393551	9.26%	0.00%	393551	9.26%	0.00%	0.00%
4.	Naman Barter Pvt. Ltd.	172800	4.07%	0.00%	172800	4.07%	0.00%	0.00%
5.	Paragon Fincorp Pvt. Ltd.	406878	9.57%	0.00%	406878	9.57%	0.00%	0.00%
6.	Raga Commercial Pvt. Ltd.	315700	7.43%	0.00%	315700	7.43%	0.00%	0.00%
7.	Gayatri Gupta	18800	0.44%	0.00%	18800	0.44%	0.00%	0.00%
8.	Krishna Kant Jha	76100	1.79%	0.00%	76100	1.79%	0.00%	0.00%
9.	Sanjay Kumar Gupta	185400	4.36%	0.00%	185700	4.37%	0.00%	0.01%
10.	Shreya Gupta	39500	0.93%	0.00%	178400	4.20%	0.00%	3.27%
	TOTAL	2165812	50.96%	0.00%	2305012	54.24%	0.00%	3.28%

(iii) Change in Promoters' Shareholding

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
	At the beginning of the year	2165812	50.96%	2165812	50.96%
	Date wise Increase / Decrease in Promoters share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :				
1.	23-May-14- Transfer - Sanjay Kumar Gupta	300	0.01%	2166112	50.97%
2.	19-Jan-15- Transfer - Shreya Gupta	138900	3.27%	2305012	54.24%
	At the end of the year	2305012	54.24%	2305012	54.24%

(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.	ERODE MERCHANTS PRIVATE LIMITED				
	At the beginning of the year	198200	4.66%	198200	4.66%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0.00%	198200	4.66%
	At the end of the year	198200	4.66%	198200	4.66%
2.	KANCHAN TRADERS PRIVATE LIMITED				
	At the beginning of the year	191000	4.49%	191000	4.49%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0.00%	191000	4.49%
	At the end of the year	191000	4.49%	191000	4.49%
3.	MANAVATA VINIMOY PRIVATE LIMITED				
	At the beginning of the year	125000	2.94%	125000	2.94%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0.00%	125000	2.94%
	At the end of the year	125000	2.94%	125000	2.94%
4.	STEEL CENTRE PRIVATE LIMITED				
	At the beginning of the year	125000	2.94%	125000	2.94%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0.00%	125000	2.94%
	At the end of the year	125000	2.94%	125000	2.94%
5.	CRAWFORD PLANTATIONS PRIVATE LIMITED				
	At the beginning of the year	125000	2.94%	125000	2.94%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0.00%	125000	2.94%
	At the end of the year	125000	2.94%	125000	2.94%
6.	BEEKAY CHEMICALS PRIVATE LIMITED				
	At the beginning of the year	125000	2.94%	125000	2.94%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0.00%	125000	2.94%
	At the end of the year	125000	2.94%	125000	2.94%

**ANNUAL REPORT
2014-2015**

7.	BHOWMICK MARKETING PRIVATE LIMITED				
	At the beginning of the year	125000	2.94%	125000	2.94%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0.00%	125000	2.94%
	At the end of the year	125000	2.94%	125000	2.94%
8.	DOVER TIE-UP PRIVATE LIMITED				
	At the beginning of the year	125000	2.94%	125000	2.94%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0.00%	125000	2.94%
	At the end of the year	125000	2.94%	125000	2.94%
9.	SIPHON MARKETING PRIVATE LIMITED				
	At the beginning of the year	125000	2.94%	125000	2.94%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0.00%	125000	2.94%
	At the end of the year	125000	2.94%	125000	2.94%
10.	HEERA SHARMA				
	At the beginning of the year	61450	1.45%	61450	1.45%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0.00%	61450	1.45%
	At the end of the year	61450	1.45%	61450	1.45%
11	SANATAN SHARMA				
	At the beginning of the year	61450	1.45%	61450	1.45%
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	61450	1.45%
	At the end of the year	61450	1.45%	61450	1.45%
12	SWAROOP KUMAR SARAYAN				
	At the beginning of the year	60450	1.42%	60450	1.42%
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	60450	1.42%
	At the end of the year	60450	1.42%	60450	1.42%
13	SHAMBHU SHARMA				
	At the beginning of the year	59500	1.40%	59500	1.40%
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	59500	1.40%
	At the end of the year	59500	1.40%	59500	1.40%

14	SHAMBHU SHARMA HUF				
	At the beginning of the year	59450	1.40%	59450	1.40%
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	59450	1.40%
	At the end of the year	59450	1.40%	59450	1.40%
15	AKHILESH KUMAR JAIN				
	At the beginning of the year	20050	0.47%	20050	0.47%
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	20050	0.47%
	At the end of the year	20050	0.47%	20050	0.47%
16	DINESH KUMAR JAIN				
	At the beginning of the year	18750	0.44%	18750	0.44%
	"Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc): "07.02.2015 - Sale of Shares"	-11	0.00%	18739	0.44%
	At the end of the year	18739	0.44%	18739	0.44%
17	RAMESH JAIN				
	At the beginning of the year	16200	0.38%	16200	0.38%
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	16200	0.38%
	At the end of the year	16200	0.38%	16200	0.38%

(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				
	At the beginning of the year	185400	4.36%	185400	4.36%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :				
	23-May-14 - Transfer	300	0.01%	1857400	4.37%
	At the end of the year	185700	4.37%	185700	4.37%
2.	Shreya Gupta				
	At the beginning of the year	39500	0.93%	39500	0.93%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :				
	23-May-14 - Transfer	138900	3.27%	178400	4.20%
	At the end of the year	178400	4.20%	178400	4.20%

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	3172327	156230024	0	159402351
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	10727134	0	10727134
Total (i + ii + iii)	3172327	166957158	0	170129485
Change in Indebtedness during the financial year				
• Addition	0	537307088	0	537307088
• Reduction	2122914	629999246	0	632122160
Net Change	2122914	-92692158	0	1169429248
Indebtedness at the end of the financial year				
i) Principal Amount	1049413	74265000	0	75314413
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	11555594	0	11555594
Total (i + ii + iii)	1049413	85820594	0	86870007

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 Income-tax Act, 1961 (c) Profits in lieu of salary under	480000 0 0	480000 0 0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as % of profit - others, specify....	0	0
5.	Others, please specify	0	0
	Total (A)	480000	480000
	Ceiling as per the Act	₹ 4.80 Lacs being 5% of the Net Profit of the company calculated as per Section 198 of the Companies Act, 2013.	

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

Sl. No.	Particulars of Remuneration	Key managerial Personnel		Total Amount
		CFO	Company Secretary	
		Mr. Satya Narayan Khemka	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 Income-tax Act, 1961 (c) Profits in lieu of salary under	337500 0 0	364500 0 0	702000 0 0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0
5.	Others, please specify	0	0	0
	Total (A)	337500	364500	702000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST DAY OF MARCH, 2015

*[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

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, 2015 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, 2015 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) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (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 compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with **Bombay Stock Exchange Limited**.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines etc. mentioned above.

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 Listing Agreement.

Adequate Notice is given to all Directors to schedule the Board Meetings. Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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 audit period the Company has obtained approval from its shareholders for borrowing monies u/s 180(1)(c) and 180(1)(a) of the Companies Act, 2013.

Place : Kolkata
Date : 07.05.2015

For **K. Arun & Co.**
Company Secretaries
Arun Kr. Khandelia
Partner
C.P. No. : 2270

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Management Discussion and Analysis ("MD&A") is management's assessment of the operations and the financial results together with future prospects of Paragon Finance Ltd.

ECONOMIC OVERVIEW

India topped World Bank's growth outlook for the year 2015-16 for the first time with economy grown 7.3% in 2014-15 due to improvement in the performance of both services as well as manufacturing sectors. India is expected to grow at 7.5% - 8.3% in 2015-16 and likely to cross China's projected growth rate, as per IMF. Over the last year, new stable government, RBI initiatives to contain inflation & manage interest rate, subdued commodities prices including oil has helped Indian economy to revive post 2010 global meltdown era. Overall India's macroeconomic parameters are improving and we are much better placed today compared to many other emerging market economies. The GDP data for the third quarter ended December 31, 2015 has however, seen a sharp downward revision to 6.6 per cent in the provisional estimate from 7.5 per cent in the advance estimate.

INDUSTRY OVERVIEW

Non Banking Financial Companies (NBFCs) have made great progress in last few years and are assisting in meeting the diverse financial needs of the economy. In doing so NBFCs have influenced the direction of investments and the resultant capital formation has become essential for India's economic growth and development. NBFCs contributed almost 76% of the Rs.120 billion microfinance industry in the country. The estimated demand for microfinance is much higher than the present level of microcredit supply.

The medium and heavy commercial vehicle (CV) segment will see volume growth of 13-17 per cent next fiscal and drive the CV sector, while LCVs will see marginal growth of up to 3 per cent, says a report by India Ratings.

The pre-owned Commercial Vehicles market is largely organized providing private financiers enormous business opportunity for a sustainable long term growth. Your company has prepared well for challenging economic scenario expected next year in the financing of Medium & Heavy Commercial vehicles Space.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In any industry, the processes and internal control play a critical role in the health of the Company. The company has adequate check on its internal control system to ensure sufficient accuracy in functioning of the organization. The Company's well defined organizational structure, documented policy guidelines, defined authority and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations. Management Information System (MIS) forms an integral part of the company's control mechanism. The Audit Committee of the Board, Statutory Auditors and the Top Management are apprised regularly with the matters of the Company. 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. All the major decisions of the Company are taken by the Independent Director.

RISK MANAGEMENT

In today's business world risk management has become the most important tool for the survival of the business. So to avoid such dilemmas, the board has adopted Risk Management policy. Under the Policy, the Board delegates day-to-day management of risk to the Chief Executive Officer (or equivalent). There is continuous follow up for identification of risks and treatment for the same.

Paragon has been successful in maintaining robust growth in disbursements and at the same time maintaining an impeccable portfolio quality through constant process re-engineering coupled with sound risk management practices.

In this inflated economy, your company manages Interest Rate Risk very well because of low cost of borrowings. Company is also not using short term borrowings to fund long term assets. To manage default risk, most of the customers are old customers or referred by existing customers with a good track record who stands as a guarantor mitigating the default risk.

HUMAN RESOURCES

Over the years, the Company has built up an excellent human resource with a variety of skill sets as appropriate for the business and as per its requirements. Industrial Relations have been cordial and the morale of the employees is very high. The Company follows people friendly policies coupled with performance rewarding culture. The company is always up graded with the new technologies and there is continuous emphasis on training for the development of the company as well as personal grooming of the employees.

Paragon Finance Limited is also focused on building the talent pipeline. The HR mandate is to attract the good people, retain the better and advance the best. There is a structured plan to nurture fresh talent & groom them over next few years to take up leadership roles. Towards this end, various initiatives have been undertaken.

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. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. This report should be read in conjunction with the financial statements included herein and the notes thereto.

For and on behalf of the Board of Directors

Place : Kolkata

Sanjay Kumar Gupta

Date : 29.05.2015

Executive Director

DIN - 00213467

REPORT ON CORPORATE GOVERNANCE

In compliance with the Clause 49 of the listing Agreement with the Stock Exchanges and SEBI, the Company presents the Corporate Governance Report for the financial year 2014-15 hereunder:

THE COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:

Good Corporate Governance practice lies at the foundation of Paragon's business ethos.

Our philosophy on Corporate Governance in Paragon is to preserve stakeholder rights and interest, proactively manage risks and create long-term wealth and value. It extends in all aspects of working - workplace management, marketplace responsibility and business decisions.

The code of conduct and the governance are based on the corporate principles and strong emphasis laid on transparency, accountability, integrity and compliance.

The governance processes of the Company include creation of empowered sub-committees of the Board to oversee the functions of executive management. These sub-committees of the Board mainly comprises of Non-executive Directors and Independent Directors, which meet and deliberate regularly to discharge their obligations and focus on adequate control systems.

COMPOSITION OF THE BOARD :

- The Board is responsible for the management of the affairs of the Company's businesses.
- As on March 31, 2015 the Company's Board comprises 12 directors and has an optimum combination of Executive, Non-executive and Independent Directors, as per the requirements of Clause 49 of the Listing Agreement and Companies Act, 2013.
- The Independent Directors of the Company meet all the criteria mandated by Clause 49 of the Listing Agreement and the Companies Act 2013.
- The Board of Directors met 9 times during the year on April 30, 2014, May 17, 2014, August 7, 2014, August 14, 2014, September 26, 2014, November 14, 2014, January 19, 2015, February 3, 2015 and March 24, 2015. The maximum gap between any two meetings was less than 4 months.

COMPOSITION OF THE BOARD OF DIRECTORS AS ON MARCH 31, 2015

Names of Director	Nature of Directorships	Attendance Particulars		Number of other Directorships and Committee Memberships / Chairmanships		
		Board Meetings	AGM held on 26.09.14	Other Directorships	Committee Memberships	Committee Chairmanships
Sanjay Kumar Gupta	Executive	9	Yes	11	NIL	NIL
Aloke Kumar Gupta	Non-Executive	8	Yes	7	NIL	NIL
Manoj Kumar Gupta*	Non-Executive	2	Yes	4	NIL	NIL
Reena Gupta*	Non-Executive	2	Yes	3	NIL	NIL
Sanjay Goenka	Independent	8	Yes	2	NIL	NIL
Suvabrata Ganguly	Independent	7	Yes	7	NIL	NIL
Sujata Agarwal	Independent	7	Yes	4	5	1
Ravi Agarwalla	Independent	8	Yes	2	NIL	NIL
Shreya Gupta	Non-Executive	7	Yes	6	NIL	NIL
Pradip Kumar Khandelwal	Independent	2	Yes	2	NIL	NIL
Nirmal Bazaz	Independent	3	Yes	2	NIL	NIL
Parul Rajgaria	Non-Executive	7	Yes	NIL	NIL	NIL

*Mr. Manoj Kumar Gupta & Mrs. Reena Gupta ceases to be Director in the Company w.e.f. 30.04.2015.

No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 2013, except Mr. Aloke Kumar Gupta, Mr. Manoj Kumar Gupta and Mr. Sanjay Kumar Gupta, who are brothers and Mrs. Reena Gupta who is the wife of Mr. Manoj Kumar Gupta and Mrs. Shreya Gupta is wife of Mr. Sanjay Kumar Gupta.

AUDIT COMMITTEE:

The Audit Committee is empowered, pursuant to its terms of reference, to:

- to provide directions to and oversee the internal audit and risk management functions;
- review of financial results and annual financial statements;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- interact with statutory auditors and such other matters as are required in terms of the Companies Act and Listing Agreement with the Stock Exchanges.

Name of the Member	Position	No. of meeting attended
Mr. Ravi Agarwalla	Chairman	4
Mr. Suvabrato Ganguly*	Member	1
Mr. Manoj Kumar Gupta*	Member	0
Mr. Sujata Agarwal*	Member	3
Mr. Sanjay Kumar Gupta*	Member	3

**ANNUAL REPORT
2014-2015**

During the year, the Committee had met 4 times on 17.05.2014, 14.08.2014, 14.11.2014 and 03.02.2015.

*The Members of the Committee was rearranged as on 07.08.2014 in the Board Meeting and hence Mr. Sanjay Kumar Gupta & Mrs. Sujata Agarwal became the members of the Audit Committee in place of Mr. Suvabrato Ganguly and Mr. Manoj Kumar Gupta.

NOMINATION & REMUNERATION COMMITTEE:

Pursuant to Section 178 of Companies Act, 2013 and Clause 49 of the Listing Agreement the Nomination and Remuneration Committee of the Board of Directors was formed by the Board of Directors on August 14, 2014 and presently consists of three Directors.

The Terms of Reference of the Nomination and Remuneration Committee includes identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance; laying down the evaluation criteria for performance evaluation of Independent Directors; formulating the criteria for determining qualifications, positive attributes and independence of a director etc.

Mr. Sanjay Kumar Gupta (Executive Director of the Company) is being remunerated by way of Salary.

Name of the Member	Position	No. of meeting attended
Mr. Sanjay Goenka	Member	3
Mrs. Sujata Agarwal	Chairman	3
Ms. Parul Rajgaria*	Member	3

The Committee met 3 times during the year on 14.08.2014, 14.11.2014 and 19.01.2015.

Ms. Parul Rajgaria, being the Company Secretary of the Company also acts as the Secretary of the Committee.

Remuneration Policy

The Remuneration Policy of the Company is designed to attract, motivate and retain manpower. This Policy applies to directors and senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

The remuneration of the Executive Director and KMPs of the Company is recommended by the Nomination and Remuneration Committee based on established criteria. The Company generally pays remuneration by way of salary and bonus (fixed component).

Evaluation Criteria

The Company has adopted an Evaluation policy to evaluate performance of each director, the Board as a whole and its committees. Evaluation shall be carried out by the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and Code for Independent Directors' as outlined under Schedule IV of the Companies Act, 2013. Such evaluation factors various criteria including contribution, domain expertise, strategic vision, industry knowledge, participation in discussions etc. Separate meeting of the Independent Directors has been held, inter alia, to review the performance of non-Independent Directors and the Board.

STAKEHOLDERS RELATIONSHIP COMMITTEE :

The name of Shareholders Grievance & Share Transfer Committee has been re-nomenclated as Stakeholders Relationship Committee as per the provisions of Clause 49 of the Listing Agreement.

The Committee is required to look into the redressal of Shareholder's and Investors' complaints like transfer of shares, Non-receipt of Annual Report, etc.

Name of the Member	Position	Status	No. of meeting held	No. of meeting attended
Mrs. Sujata Agarwal	Chairman	Independent	3	3
Ms. Parul Rajgaria	Member	Non-Executive	3	3

Ms. Parul Rajgaria, Company Secretary is the Compliance Officer of the Company.

The members of the Committee was rearranged as on 07.08.2014 in the Board Meeting and hence Ms. Parul Rajgaria became the member of the Committee in place of Mr. Sanjay Goenka and Mr. Alope Kumar Gupta.

Details of queries and grievances received and attended by the company during the year 2014-15 are given as follows :

STATUS OF COMPLAINTS RECEIVED AND ATTENDED TO DURING 2014-15

Pending as on 1st April, 2014	Received during the year	Answered during the year	Pending as on 31st March, 2015
0	0	0	0

GENERAL BODY MEETING :

The following is the table showing the Details of General Body meeting held in last three years with their dates & time along with the venue.

AGM	AGM Date	Time	Venue
Twenty Sixth	29.09.2012	10.00 A.M.	4/1, Middleton Street, Kolkata-700071
Twenty Seventh	27.09.2013	10.00 A.M.	4/1, Middleton Street, Kolkata-700071
Twenty Eighth	26.09.2014	10.00 A.M.	4/1, Middleton Street, Kolkata-700071

*The Company in its AGM held on 26.09.14, passed two special resolutions pursuant to the provisions of Section 180(1)(a) & 180(1)(c) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

*Postal Ballot was not conducted in any of the Annual General Body Meetings held so far by the Company.

SUBSIDIARY COMPANIES

The Company has no subsidiaries under it.

DISCLOSURES :

The Notes on Accounts under Note No. -1, forming part of Financial Statement, contains the disclosure of related parties transactions and Accounting Standards followed and Accounting Treatment made during the year 2014-15.

Transactions with related parties entered into by the Company are in the normal course of business on arm's length basis and do not have potential conflicts with the Company. Further, these transactions are also placed in the Audit Committee Meeting(s).

There were no transactions made during the financial year 2014-15, which is of material nature with promoters, Directors, management or their relatives that can have potential conflict with the interest of the Company.

No Penalties have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

The Board of Directors of the Company has adopted a Whistle Blower Policy and the same is available on Company's website at www.paragonfinanceltd.com. No Personnel has been denied access to the Audit Committee in this regard.

The whole of Clause 49 of the Listing Agreement is non-mandatory for our Company as per the amendment circular no. - CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014.

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention.

• **Means of Communication:**

The quarterly and half-yearly/Annual financial results are forthwith communicated to the Bombay Stock Exchange Limited (BSE), where the shares of the Company are listed, within 45 / 60 days from the date of close of every quarter / year respectively, as soon as they are approved and taken on record by the Board of Directors. Public notices and financial results are published in leading newspapers, namely, Business Standard in English and Arthik Lipi in Bengali.

The results are also available on our website at www.paragonfinanceltd.com.

The following are displayed on the Website of the Company i.e. www.paragonfinanceltd.com:

- Business of the Company;
- Annual Report of the Company;
- Standalone and Consolidated Quarterly and Annual Financial Results of the Company;
- Shareholding Pattern;
- Company Profile;
- Code of Conduct for the Directors and Senior Management;
- Contact information - for solving any investors queries.

Management Discussion and Analysis Report forms part of the Board Report.

CEO/CFO CERTIFICATION :

The CEO and CFO certification of the financial statements for the year is enclosed in the report.

GENERAL SHAREHOLDERS' INFORMATION :

1. Date, time and venue of 29th AGM : 30th September, 2015 at 10:00 A.M.
At 4/1, Middleton Street, Sikkim House,
4th Floor, Kolkata - 700 071.
2. Financial Calendar for 2015-16 (Tentative)
 - a. 30th Annual General Meeting : On or before 30th September, 2016
 - b. First Quarter Results : On or before 14th August, 2015
 - c. Second Quarter Results : On or before 14th November, 2015
 - d. Third Quarter Results : On or before 14th February, 2016
 - e. Results for the financial year ending March 31, 2016 : On or before 30th May, 2016
3. Date of Book Closure : From 24.09.2015 to 30.09.2015
(Both days inclusive)
4. CIN : L65921WB1986PLC040980
5. Listing on Stock Exchange : Bombay Stock Exchange
6. Listing Fees : Paid as per listing agreement
7. Demat Arrangement : With NSDL and CDSL
8. ISIN : INE015E01012
9. BSE Stock Code : 531255
10. Registered Office : 4/1, Middleton Street, Sikkim House,
4th Floor, Kolkata-700 071
11. Designated exclusive email-id
for Investor servicing : investorgrievance@paragonfinanceltd.com
12. Company's Website : www.paragonfinanceltd.com
13. Registrar & Share Transfer Agents : Niche Technologies Pvt. Ltd.
71, B.R.B.Basu Road, 5th Floor,
Kolkata - 700 001.
Dial : 033-22357270/71/3070
14. Compliance Officer : Ms. Parul Rajgaria
Company Secretary

**ANNUAL REPORT
2014-2015**

15. Stock Market price data for the
Year 2014-15

: Monthly high and low quotation
during 1st April 2014 to
31st March, 2015 is given in the
Table below:

Month	The Stock Exchange, Mumbai	
	High (₹)	Low (₹)
April, 2014	11.00	9.92
May, 2014	11.00	9.92
June, 2014	9.44	9.00
July, 2014	8.97	8.55
August, 2014	8.53	7.71
September, 2014	8.07	7.33
October, 2014	10.27	8.47
November, 2014	18.80	10.41
December, 2014	20.00	18.70
January, 2015	20.00	20.00
February, 2015	21.00	18.95
March, 2015	19.85	16.00

16. Shareholders pattern as on 31.03.2015 is as given below :

Sl. No.	Category	No. of Shares	% of Paid-up Capital
1	Promoters	2305012	54.236
2	Mutual Funds & UTI	0	0.000
3	Bank, Financial Institutions, Insurance Companies (Central State Govt. Institutions, Non Govt. Institution)	0	0.000
4	Private Corporate Bodies	1291043	30.377
5	Indian Public	648025	15.248
6	NRI/OCBS	5400	0.127
7	Any other (Please specify) Clearing Members	520	0.012
	Total	4250000	100.000

17. Distribution Schedule as on 31.03.2015

Shares of Nominal Value of (Rs.)			Shareholders		Shareholding	
			Nos.	%	Nos.	%
1	to	500	674	80.8153	103784	2.4420
501	to	1000	71	8.5132	58584	1.3784
1001	to	5000	58	6.9544	117673	2.7688
5001	to	10000	3	0.3597	21293	0.5010
10001	to	50000	5	0.5995	83889	1.9739
50001	to	100000	6	0.7194	390465	9.1874
100001	&	Above	17	2.0384	3474312	81.7485
Total			834	100.0000	4250000	100.0000

97.19% of the Company's Shares are held in electronic form as on March 31, 2015. No share of the Company's Shares have been applied for dematerialization since April, 2014.

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

CEO/CFO CERTIFICATION

We, the undersigned, in respective capacities as Whole Time Director and Chief Financial Officer of the Company to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- D. We accept responsibility for establishing and maintaining internal controls for financial reporting and for evaluating the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- E. We have indicated, based on our recent evaluation, wherever applicable, to the auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

On behalf of the Board of Directors
Sanjay Kumar Gupta
Whole-time Director

Place : Kolkata
Date : 29.05.2015

Satya Narayan Khemka
Chief-Financial Officer

**DECLARATION ON CODE OF CONDUCT PURSUANT TO CLAUSE 49 (IIE)
OF THE LISTING AGREEMENT.**

I, Sanjay Kumar Gupta, the Executive Director of the Company hereby confirm that the Code of Conduct as laid down by the Board of Directors has been complied by all the Board members and Senior Management of the Company for the year ended 31st March, 2015.

The said Code of Conduct is available on the website of the Company www.paragonfinanceltd.com

Place : Kolkata
Date : 29.05.2015

Sanjay Kumar Gupta
Executive Director
DIN - 00213467

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of PARAGON FINANCE LIMITED

1. We have examined the compliance of conditions of Corporate Governance by the Paragon Finance Limited for the year ending 31st March' 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation adopted by the Company for ensuring compliance with the condition of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. We state that no Investors Grievance is pending for a period exceeding one month against the Company as per records maintained by the Shareholders/ Investors Grievance Committee.
5. On the basis of our review and according to information and explanations provided to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

For, MANDAWEWALA & CO.

FRN : 322130E

Chartered Accountants

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

(CA. ANIL KR. MANDAWEWALA)

Partner

M. No. 055939

Dated: The 29th day of May, 2015

INDEPENDENT AUDITORS' REPORT

To the Memmers 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, 2015 and the Statement of Profit and Loss and 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 and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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, 2015
2. In the case of the Profit and Loss Account, of the **PROFIT** for the year ended on that date;
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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 [hereinafter referred to as the Order], we give in the Annexure 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 and the Statement of Profit and Loss, and 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 litigations on its financial position in its financial statement as referred to in Note No. 8 to 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, MANDAWEWALA & CO.
FRN : 322130E
Chartered Accountants**

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

**(CA. ANIL KR. MANDAWEWALA)
Partner
M. No. 055939**

Dated: The 29th day of May, 2015

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 31st March, 2015.

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
b) All the assets have 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.
2. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b) The procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the company and nature of its business.
c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. In respect of the loans, secured or unsecured, granted by the Company to Companies, Firms or other parties covered in the register maintained pursuant to provision of section 189 of the Companies Act, 2013-
a) In our opinion and according to the information and explanations given to us, the receipt of the Principal amount and interest are regular.
b) In respect of the said loans and interest thereon, there are no overdue amounts.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls system.
5. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2015 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

**ANNUAL REPORT
2014-2015**

payable in respects of the aforesaid dues were outstanding, as at 31st March, 2015 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, 2015 on account of dispute are given below :

Sl. No.	Name of Statute	Nature of Dues	Amount in Rs.	Period	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax	21,07,350/-	A.Y. 2012-13	CIT (Appeal) - 21 / Kolkata
2.	Finance Act, 1994	Service Tax	26,81,414/-	A.Y. 2003-2008	Service Tax Commissionerate, Kolkata

- c) According to the information and explanation given to us, there are no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
8. The company has no accumulated losses as at 31st March, 2015 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. 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.
10. In our opinion, the company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3 (x) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
11. The company has not obtained any Term Loan during the year.
12. In our opinion and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For, MANDAWEWALA & CO.
FRN : 322130E
Chartered Accountants**

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

**(CA. ANIL KR. MANDAWEWALA)
Partner
M. No. 055939**

Dated: The 29th day of May, 2015

TO THE BOARD OF DIRECTORS,

We have examined the attached Balanced Sheet of **M/S PARAGON FINANCE LIMITED** as at 31st March, 2015 and also the annexed Profit & Loss Account and Cash Flow Statement of the company for the year ended as on that date and report thereon as under: -

As required by the Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008, we made the following observations on all matters (as are applicable to the Company) specified in Paragraphs 3 & 4 of the said Directions: -

1. The Company is engaged in the business of nonbanking financial institution and has already obtained the Certificate of Registration from the Reserve Bank of India. [Regn No. 05.02104]
2. The Company is entitled to continue to hold Certificate of Registration in terms of its asset/income pattern as on March 31 of the current financial year.
3. The Board of the Directors has passed a resolution for non- acceptance of public deposits.
4. The company has not accepted any public deposits during the relevant period.
5. The company has complied with all the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it and hence entitled to continue to hold such Certificate of Registration.
6. Other Clauses are not applicable to this Company.

For, MANDAWEWALA & CO.
FRN : 322130E
Chartered Accountants

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

(CA. ANIL KR. MANDAWEWALA)
Partner
M. No. 055939

Dated: The 29th day of May, 2015

**ANNUAL REPORT
2014-2015**

BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)
A. EQUITY AND LIABILITIES			
1. Shareholders' Fund			
(a) Share Capital	2	4,25,00,000	4,25,00,000
(b) Reserves and Surplus	3	<u>13,61,11,151</u>	<u>12,96,32,102</u>
		<u>17,86,11,151</u>	<u>17,21,32,102</u>
2. Non-current liabilities			
(a) Long-Term Borrowings	4	9,04,94,383	15,82,02,351
(b) Other Long-Term Liabilities	5	14,000	40,70,839
(c) Long-Term Provisions	6	<u>95,724</u>	<u>2,11,552</u>
		<u>9,06,04,107</u>	<u>16,24,84,742</u>
3. Current Liabilities			
(a) Short-Term Borrowings	7	1,67,13,824	53,59,795
(b) Other Current Liabilities	8	1,86,87,903	2,29,36,666
(c) Short-Term Provisions	9	<u>3,90,477</u>	<u>4,32,564</u>
		<u>3,57,92,204</u>	<u>2,87,29,025</u>
	TOTAL	<u>30,50,07,462</u>	<u>36,33,45,869</u>
B. ASSETS			
1. Non-current assets			
(a) Fixed Assets			
- Tangible Assets	10	78,34,364	89,02,520
(b) Non-Current Investments	11	5,53,14,924	5,31,66,337
(c) Deferred Tax Assets (Net)	1.B.4	8,37,511	4,84,138
(d) Long-Term Loans and Advances	12	3,95,46,180	8,57,40,687
(e) Other Non-Current Assets	13	<u>12,000</u>	<u>2,000</u>
		<u>10,35,44,979</u>	<u>14,82,95,682</u>
2. Current assets			
(a) Trade Receivables	14	5,72,326	11,18,360
(b) Cash and Cash Equivalents	15	2,37,30,985	2,02,39,749
(c) Short-Term Loans and Advances	16	<u>17,71,59,172</u>	<u>19,36,92,078</u>
		<u>20,14,62,483</u>	<u>21,50,50,187</u>
	TOTAL	<u>30,50,07,462</u>	<u>36,33,45,869</u>

Significant Accounting policies & Notes to the Financial statements

The accompanying notes are integral part of the Financial statements

In terms of our report on even date

For **Mandawewala & Co.**

Chartered Accountants

FRN : 322130E

(CA Anil Kr. Mandawewala)

Partner

M. No. : 055939

1, British Indian Street, 1st Floor

Suite No. - 110D, Kolkata - 700 069.

Dated : The 29th day of May, 2015

For and on behalf of the Board

Sanjay Kumar Gupta

Executive Director / CEO

Aloke Kumar Gupta

Director

S. N. Khemka

CFO

Parul Rajgaria

Director & Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	For the year ended 31st March, 2015 (₹)	For the year ended 31st March, 2014 (₹)
1. Revenue from Operations	17	4,90,51,297	5,09,50,664
2. Other Income	18	86,65,159	29,64,186
3. Total Revenue (1+2)		<u>5,77,16,456</u>	<u>5,39,14,850</u>
4. Expenses			
(a) Employee Benefits Expense	19	53,42,036	49,22,553
(b) Finance Costs	20	1,55,00,347	1,80,32,905
(c) Depreciation and Amortisation Expense	10	28,53,857	19,46,495
(d) Other Expenses	21	2,56,63,079	2,05,93,289
(e) Provision for Standard Assets		(1,57,915)	(94,937)
5. Total Expenses		<u>4,92,01,404</u>	<u>4,54,00,305</u>
6. Profit Before Tax and EOI (3 - 5)		<u>85,15,052</u>	<u>85,14,545</u>
7. Extra Ordinary Items		68,958	0
8. Profit Before Tax (6 - 7)		<u>84,46,094</u>	<u>85,14,545</u>
9. Tax Expense :			
(a) Tax Expense for Current Year		18,93,114	22,37,582
(b) Security Transaction Tax		4,27,304	1,42,740
(c) Deferred Tax		(3,53,373)	(1,38,603)
		<u>19,67,045</u>	<u>22,41,719</u>
10. Profit For The Year (6-7)		<u>64,79,049</u>	<u>62,72,826</u>
11. Earnings per share (of ₹ 10 /- each): Basic / Diluted	1.B.6	1.52	1.48

Significant Accounting policies & Notes to the Financial statements

1

The accompanying notes are integral part of the Financial statements

In terms of our report on even date

For **Mandawewala & Co.**

Chartered Accountants

FRN : 322130E

(CA Anil Kr. Mandawewala)

Partner

M. No. : 055939

1, British Indian Street, 1st Floor

Suite No. - 110D, Kolkata - 700 069.

Dated : The 29th day of May, 2015

For and on behalf of the Board

Sanjay Kumar Gupta

Executive Director / CEO

Aloke Kumar Gupta

Director

S. N. Khemka

CFO

Parul Rajgaria

Director & Company Secretary

**ANNUAL REPORT
2014-2015**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	31st March, 2015	31st March, 2014
	(₹)	(₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra ordinary items & interest	24015399	26547450
Adjustment for :		
Depreciation	2853857	1946495
Contingent Provision against Standard Assets	(157915)	(94937)
Extra Ordinary Items	(68958)	0
Profit/ Loss on Sale of Fixed Assets	<u>(164649)</u>	<u>101307</u>
	<u>26477734</u>	<u>28500315</u>
Operating Profit before Working Capital changes		
Adjustment for:		
Long Term Loans and Advances	46194507	10107909
Trade Receivables	546034	(1118360)
Short Term Loans and Advances	16532906	31067198
Other Non Current Assets	(10000)	300000
Other Long Term Liabilities	(4056839)	(2903125)
Other Current Liabilities	<u>(4248763)</u>	<u>(13991560)</u>
Cash generated from Operation	81435579	51962377
Interest Paid	(15500347)	(18032905)
Tax Paid	<u>(2320418)</u>	<u>(2380322)</u>
Net Cash from Operating activities (A)	<u>63614814</u>	<u>31549150</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2456009)	(4553581)
Sale of Fixed Assets	834957	114000
Sale of Investments	<u>(2148587)</u>	<u>1579104</u>
Net Cash from Investing activities (B)	<u>(3769639)</u>	<u>(2860477)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loans borrowed (Net of repayments)	<u>(56353939)</u>	<u>(18833338)</u>
Net Cash from Financing activities (C)	<u>(56353939)</u>	<u>(18833338)</u>
Net increase in Cash and Cash equivalent (A+B+C)	3491236	9855335
Cash and Cash equivalents at the beginning of the year	<u>20239749</u>	<u>10384414</u>
Cash & Cash equivalents of close of the year	<u>23730985</u>	<u>20239749</u>

In terms of our report on even date

For **Mandawewala & Co.**
Chartered Accountants
FRN : 322130E
(CA Anil Kr. Mandawewala)
Partner
M. No. : 055939
1, British Indian Street, 1st Floor
Suite No. - 110D, Kolkata - 700 069.
Dated : The 29th day of May, 2015

For and on behalf of the Board
Sanjay Kumar Gupta
Executive Director / CEO
Aloke Kumar Gupta
Director
S. N. Khemka
CFO
Parul Rajgaria
Director & Company Secretary

**Notes forming part of the financial statements for the
year ended 31st March, 2015.**

NOTE - 1 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

(1) Nature of Operation

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

(2) Basis of Preparation

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

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

(3) Fixed Assets and Depreciation

Fixed assets are stated at Cost less Depreciation.

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

(4) Revenue Recognition

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

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

Notes forming part of the financial statements for the year ended 31st March, 2015.

IV. Prudential Norms

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

- V. Dividend income on investment is accounted for when the company's right to receive dividend is established.
- VI. The Company makes provision of 0.25% on Standard Assets in accordance with RBI Guidelines issued on 17th January, 2011.

(5) Expenses

All the expenses have been accounted for on accrual basis.

(6) Investment Valuation

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

(7) Income Tax

- a) Provision for Current Income Tax is made on the basis of relevant provisions of the Income Tax Act, 1961 as applicable to the financial year.
- b) Deferred Tax on timing differences is measured based on the Tax Rates and the Tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Assets are recognized only to the extent that there is virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(8) Gratuity

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

(B) NOTES TO THE ACCOUNTS

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

(2) Loan against security of vehicles

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

Notes forming part of the financial statements for the year ended 31st March, 2015.**(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
 Mr. Manoj Kumar Gupta - Director
 Mrs. Reena Gupta - Director
 Mrs. Shreya Gupta - Director
 Ms. Parul Rajgaria - Director cum Company Secretary
 Mr. Satya Narayan Khemka- Chief Financial Officer
- b) Relative of Key Management Personnel
 Gayatri Gupta - Mother of Director
- c) Enterprises over which management Personnel or his relative has significant influence :
 Basera Abasan Pvt. Ltd.
 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.
 Parag Finlease Pvt. Ltd.
 Paragon Fincorp Pvt. Ltd.
 Paragon Infrastructure Pvt. Ltd.
 Raga Commercial Pvt. Ltd.
 Saharsh Estates Pvt. Ltd.

Particulars of Transactions**(₹)**

Nature of Transactions	(a)	(b)	(c)	Total
Salary paid	1182000 <i>1101000</i>	NIL <i>NIL</i>	NIL <i>NIL</i>	1182000 <i>1101000</i>
Interest Paid	883649 <i>1708297</i>	NIL <i>NIL</i>	11446722 <i>13116451</i>	12330371 <i>14824748</i>
Rent Paid	NIL <i>NIL</i>	180000 <i>120000</i>	156000 <i>156000</i>	336000 <i>276000</i>
Net Borrowings and Advances Taken & Repaid	(25277491) <i>4055000</i>	NIL <i>NIL</i>	(89514667) <i>(21351943)</i>	(114792158) <i>(17296943)</i>
Balances outstanding at the end of the year				
Borrowings & Advances	234952 <i>18677491</i>	NIL <i>NIL</i>	69067049 <i>148279667</i>	69302001 <i>166957158</i>
Loans & Advances	(6039668) <i>0</i>	NIL <i>NIL</i>	NIL <i>NIL</i>	(6039668) <i>0</i>

Note : Figures in italic are those for previous year.

Notes forming part of the financial statements for the year ended 31st March, 2015.

(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 asset of ₹ 3,53,373/-. The Deffered Tax Asset as on 31st March, 2015 was ₹ 8,37,511/- 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 31.03.2015	Year Ended on 31.03.2014
Total No. of Shares	Nos.	42,50,000	42,50,000
Profit(Loss) After Tax	₹	64,79,049	62,72,826
Earning Per Share	₹	1.52	1.48

(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 ₹ 1,57,915/- during the year against Standard Assets which has been charged to Profit & Loss Account.

(8) Contingent Liabilities :

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

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

(9) Expenditure in Foreign Currency for

Directors' Foreign Travelling Expenses - 1.14 lakhs

(10) Pursuant to the Enactment of the Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortized carrying value is being depreciated/ amortized over the revised/remaining useful lives. The written down value of fixed assets whose lives has expired as at 1st April, 2014 has been Charged in Profit & Loss Account as Extra Ordinary Items amounting to ₹ 68,958/-.

(11) 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, 2015.**Notes - 2 : Share capital****(a) Authorized, Issued, Subscribed and Paid-up Share Capital**

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Authorized				
Equity shares of ₹ 10 each with voting rights	62,50,000	6,25,00,000	62,50,000	6,25,00,000
	<u>62,50,000</u>	<u>6,25,00,000</u>	<u>62,50,000</u>	<u>6,25,00,000</u>
Issued, Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights	42,50,000	4,25,00,000	42,50,000	4,25,00,000
Total	<u>42,50,000</u>	<u>4,25,00,000</u>	<u>42,50,000</u>	<u>4,25,00,000</u>

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

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity shares with voting rights			
Year ended 31st March, 2015			
- Number of shares	42,50,000	-	42,50,000
- Amount (₹)	4,25,00,000	-	4,25,00,000
Year ended 31st March, 2014			
- Number of shares	42,50,000	-	42,50,000
- Amount (₹)	4,25,00,000	-	4,25,00,000

Notes forming part of the financial statements for the year ended 31st March, 2015.

(c) Terms/rights attached to equity shares :

The company has only one class of equity shares having par value of ₹ 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

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number	% age	Number	% age
Equity shares with voting rights				
KIT COMMERCIAL (P) LTD	3,22,700	7.59	3,22,700	7.59
RAGA COMMERCIAL PVT LTD	3,15,700	7.43	3,15,700	7.43
PARAGON FINCORP PVT. LTD.	4,06,878	9.57	4,06,878	9.57
BASERA ABASAN PVT. LTD.	2,34,383	5.52	2,34,383	5.52
MAHANT VANIJYA PVT. LTD.	3,93,551	9.26	3,93,551	9.26

Particulars	As at	As at
	31st March, 2015 (₹)	31st March, 2014 (₹)

Note - 3 : Reserves and surplus

(a) Statutory reserve		
Balance at the beginning of the year	2,03,22,151	1,90,67,586
Add: Additions during the year	12,95,810	12,54,565
Less: Utilised / transferred during the year	0	0
Closing Balance	<u>2,16,17,961</u>	<u>2,03,22,151</u>
(b) Securities premium account		
Balance at the beginning of the year	<u>2,51,37,500</u>	<u>2,51,37,500</u>
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	8,41,72,451	7,91,54,190
Add: Profit / (Loss) for the year	64,79,049	62,72,826
	<u>9,06,51,500</u>	<u>8,54,27,016</u>
Less: Transferred to Statutory Reserve	12,95,810	12,54,565
Closing Balance	<u>8,93,55,690</u>	<u>8,41,72,451</u>
Grand Total (a+b+c)	<u>13,61,11,151</u>	<u>12,96,32,102</u>

Note - 4 : Long-Term Borrowings :

(a) Term Loans		
- From Citicorp Finance (India) Ltd. - Secured	0	10,00,000
- From Oriental Bank of Commerce - Secured	0	9,72,327
(b) Loans from other Body Corporates		
- Unsecured	9,04,94,383	13,90,90,000
(d) Loans from Director		
- Unsecured (Refer Note 1.B.3)	0	1,71,40,024
Total	<u>9,04,94,383</u>	<u>15,82,02,351</u>

Note - 4.1 : (i) Loan from Citicorp Finance (India) Ltd. is secured by Pledge of Shares
(ii) Loan from Oriental Bank of Commerce is secured against Vehicle.

Notes forming part of the financial statements for the year ended 31st March, 2015.

Particulars	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)
Note - 5 : Other Long-Term Liabilities		
(a) Advances from Customers	14,000	40,70,839
Total	<u>14,000</u>	<u>40,70,839</u>
Note - 6 : Long-term provisions		
(a) Contingent Provision against Standard Assets [As per RBI Directions dated 17.01.2011]	95,724	2,11,552
Total	<u>95,724</u>	<u>2,11,552</u>
Note - 7 : Short-Term Borrowings		
(a) Loans repayable on demand From Banks		
- Secured		
Overdraft from HDFC Bank	2,30,828	0
Overdraft from Canara Bank	0	4,02,485
Overdraft from SBI	1,64,82,996	49,57,310
Total	<u>1,67,13,824</u>	<u>53,59,795</u>
Note - 7.1 : Details of security for the secured short-term borrowings :		
(a) Overdraft from Banks are secured by Hypothecation of Fixed Deposits and Land.		
Note - 8 : Other current liabilities		
(a) Current maturities of long-term debt - (Refer Note 8.1 below)	24,15,292	1,19,27,134
(b) Other payables		
(i) Liabilities for Expenses	3,38,279	2,77,903
(ii) TDS Payable	16,70,211	14,75,029
(iii) Advance Initial Hire	3,500	41,600
(iv) Trade / Security Deposits Received	17,59,133	23,34,637
(v) Advances from Customers	30,38,059	25,72,323
(vi) Other Paybles	94,63,429	43,08,040
Total	<u>1,86,87,903</u>	<u>2,29,36,666</u>

Notes forming part of the financial statements for the year ended 31st March, 2015.

Particulars	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)
Note 8.1 : Detail of Current Maturities of Long-Term Debt		
(a) Term Loans		
- From Oriental Bank of Commerce - Secured	10,49,413	12,00,000
(b) Loans from other Body Corporate		
- Unsecured	11,30,927	91,89,667
(c) Loans from Director		
- Unsecured (Refer Note 1.B.3)	2,34,952	15,37,467
Total	24,15,292	1,19,27,134
For Detail of Security against Term Loan Refer Note 4.1		
Note - 9 : Short-Term Provisions		
(a) Contingent Provision against Standard Assets	3,90,477	4,32,564
Total	3,90,477	4,32,564

Notes forming part of the financial statements for the year ended 31st March, 2015.

Note - 10 : Fixed Assets

Tangible Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Balance as at 01.04.2014	Addition	Deduction	Balance as at 31.03.2015	For the Year	Adjustment	Balance as at 31.03.2015	Balance as at 31.03.2014
Tangible Assets								
(a) Land & Building	3,315,594	0	0	3,315,594	128,326	0	2,511,718	2,640,044
(b) Furniture & Fixture	285,828	7,124	51,025	241,927	17,577	(47,849)	55,268	68,897
(c) Vehicles	10,538,776	2,182,330	4,981,492	7,739,614	2,045,736	(4,534,679)	4,465,227	4,775,446
(d) Office Equipment	861,598	23,900	292,284	593,214	206,662	(216,379)	165,099	423,766
(e) Computer	1,304,952	64,208	778,875	590,285	129,682	(747,958)	96,018	192,409
(f) Air Conditioner	748,958	142,200	134,278	756,880	144,374	(103,868)	355,586	388,170
(g) Refrigerator	151,150	0	45,400	105,750	21,348	(41,187)	48,813	74,374
(h) Water Filter	33,930	0	33,930	0	4,438	(23,601)	0	14,767
(i) Electric Equip. & Fittings	170,271	0	0	170,271	0	19,445	8,514	27,959
(j) Cellular Phone	459,718	36,247	179,168	316,797	155,714	(130,068)	128,121	296,688
GRAND TOTAL	17,870,775	2,456,009	6,496,452	13,830,332	2,853,857	(5,826,144)	7,834,364	8,902,520
PREVIOUS YEAR	14,386,278	4,553,581	1,069,084	17,870,775	1,946,495	853,777	8,968,255	8,902,520

Notes forming part of the financial statements for the year ended 31st March, 2015.

Note - 11 : Non-Current Investments

Particulars	As at 31st March, 2015			As at 31st March, 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	₹	₹	₹	₹	₹	₹
Not Trade investments						
(a) Investment in Equity Instruments						
- of Various entities	53,057,324	2,257,600	55,314,924	50,841,507	2,324,830	53,166,337
Total	53,057,324	2,257,600	55,314,924	50,841,507	2,324,830	53,166,337
Less: Provision for diminution in value of investments			0			0
Total			55,314,924			53,166,337
Aggregate market value of quoted Shares			71,863,140			56,240,886

Notes forming part of the financial statements for the year ended 31st March, 2015.

Particulars	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)
Note - 12 : Long-Term Loans and Advances		
(a) Loans against Security of Vehicles		
- Secured, Considered Good	3,82,89,503	8,46,20,790
(b) Balances with Government Authorities		
(i) Advance Income Tax (Net of Provisions ₹ 7,494,070/- P/Y ₹ 7,494,070/-)	5,85,677	4,48,897
(ii) Service Tax	6,71,000	6,71,000
Total	<u>3,95,46,180</u>	<u>8,57,40,687</u>
Note - 13 : Other Non-current assets		
(a) Security Deposit	12,000	2,000
Total	<u>12,000</u>	<u>2,000</u>
Note - 14 : Trade Receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	0	0
Other Trade Receivables		
- Secured, Considered Good	5,72,326	11,18,360
Total	<u>5,72,326</u>	<u>11,18,360</u>
Note - 15 : Cash and Cash equivalents		
(a) Cash in Hand	31,15,617	32,28,848
(As certified by the Management)		
(b) Balances with Banks		
(i) In Current Accounts	26,93,958	1,13,35,779
(ii) In Fixed Deposits	1,79,21,410	56,75,122
Total	<u>2,37,30,985</u>	<u>2,02,39,749</u>
Note - 16 : Short-Term Loans and Advances		
(a) Loans against Security of Vehicles		
- Secured, Considered Good	12,67,63,622	17,30,25,658
(b) Advance to Parties		
- Unsecured, Considered Good	1,06,16,971	1,17,25,538
(c) Other Loans		
- Unsecured, Considered Good	3,37,34,911	89,12,882
(d) Loans to Director		
- Unsecured (Refer Note 1.B.3)	60,39,668	0
(d) Staff Advances	4,000	28,000
Total	<u>17,71,59,172</u>	<u>19,36,92,078</u>

**ANNUAL REPORT
2014-2015**

Notes forming part of the financial statements for the year ended 31st March, 2015.

Particulars	For the year ended 31st March, 2015 (₹)	For the year ended 31st March, 2014 (₹)
Note - 17 : Revenue from operations		
(a) Income Form Financing Activity		
(i) Interest on Loan	37,73,482	12,52,912
(ii) Interest on Loan against security of vehicles	4,52,77,815	4,96,97,752
Total	<u>4,90,51,297</u>	<u>5,09,50,664</u>
Note - 18 : Other income		
(a) Interest Income:		
- Interest from Banks	15,79,988	3,87,717
- Interest on TDS	18,757	0
(b) Dividend Income:		
- From Long-Term Investments	8,72,462	14,36,728
(c) Net Gain on Sale of:		
- Long-Term Investments	2,23,478	9,61,507
- Short-Term Investments	50,69,725	(4,95,806)
(d) Other Non-Operating Income (Refer note 18.1)	9,00,749	6,74,040
Total	<u>86,65,159</u>	<u>29,64,186</u>
Note 18.1 Other non-operating income comprises :		
Profit on Sale of Fixed Assets	1,64,649	(1,01,307)
Commission Received	1,17,919	3,19,942
Miscellaneous Income	6,18,181	4,55,405
Total	<u>9,00,749</u>	<u>6,74,040</u>
Note 19 Employee benefits expense		
Salaries and Wages	47,17,275	44,49,797
Staff Welfare Expenses	6,24,761	4,72,756
Total	<u>53,42,036</u>	<u>49,22,553</u>
Note 20 Finance costs		
(a) Interest Expense on :		
(i) Bank Loan	13,48,312	28,09,298
(ii) Other Deposits	1,41,52,035	1,52,23,607
Total	<u>1,55,00,347</u>	<u>1,80,32,905</u>

Notes forming part of the financial statements for the year ended 31st March, 2015.

Particulars	For the year ended 31st March, 2015 (₹)	For the year ended 31st March, 2014 (₹)
Note - 21 : Other expenses		
Electricity Charges	4,07,521	4,07,294
Rent	3,36,000	3,36,000
Repairs and Maintenance		
- Machinery	94,080	81,739
- Others	7,61,275	6,78,060
Insurance	2,59,975	83,824
Rates and Taxes	19,295	16,677
Telephone Charges	3,62,649	3,77,155
Travelling and Conveyance	1,791,979	18,70,156
Printing and Stationery	15,36,235	14,67,404
Commission & Brokerage	90,54,800	72,46,575
Business Promotion	10,09,459	9,11,442
Vehicle Maintenance Expenses	10,28,367	8,57,473
Legal and Professional	15,23,969	16,80,940
Payments to Auditors (Refer Note 21.1 below)	1,62,596	1,06,416
Non-Performing Asset Written Off	47,64,266	18,82,283
Miscellaneous Expenses	25,50,613	25,89,851
Total	<u>2,56,63,079</u>	<u>2,05,93,289</u>

Note - 21.1 : Payment to Auditors comprises :

As Auditors - Statutory Audit	89,888	67,416
For Internal Audit	39,000	39,000
For Secretarial Audit	33,708	0
Total	<u>1,62,596</u>	<u>1,06,416</u>

In terms of our report on even date

For **Mandawewala & Co.**
Chartered Accountants
FRN : 322130E
(CA Anil Kr. Mandawewala)
Partner
M. No. : 055939
1, British Indian Street, 1st Floor
Suite No. - 110D, Kolkata - 700 069.
Dated : The 29th day of May, 2015

For and on behalf of the Board
Sanjay Kumar Gupta
Executive Director / CEO
Aloke Kumar Gupta
Director
S. N. Khemka
CFO
Parul Rajgaria
Director & Company Secretary

**ANNUAL REPORT
2014-2015**

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

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

Particulars (₹ in lakhs)

Liabilities Side :	Amount Outstanding	Amount Overdue
(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	NIL	NIL
: Unsecured (Other than falling within the Meaning of public deposits)*	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	10.49	NIL
(d) Inter-corporate loans and borrowing	916.25	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans (Specify nature) - Cash Credit from Bank	167.14	NIL
*Please see note 1 below - From Directors	2.35	NIL
Assets Side :	Amount Outstanding	
(2) Break-up of Loans and Advances including bills receivables (Other than those included in (3) below) :		
(a) Secured	NIL	
(b) Unsecured	397.75	
(3) Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities :		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	NIL	
(b) Operating Lease	NIL	
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire	NIL	
(b) Repossessed Assets	NIL	
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	NIL	
(b) Loans other than (a) above	1,650.53	

(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	530.57	
	(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	22.58	
	(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	NIL	NIL
(c) Other related parties	NIL	60.40	60.40
2. Other than related parties	1,645.67	337.35	1,983.02
Total	1,645.67	397.75	2,043.42

(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	17.50	17.50
(c) Other related parties	NIL	NIL
2. Other than related parties	723.71	535.65
Total	741.21	553.15
(7) Other Information		
Particulars	Amount	
(i) Gross Non-Performing Assets		
(a) Related parties	NIL	
(b) Other than related parties	180.12	
(ii) Net Non-Performing Assets		
(a) Related parties	NIL	
(b) Other than related parties	103.48	
(iii) Assets acquired in satisfaction of debt	NIL	

In terms of our report on even date

For **Mandawewala & Co.**

Chartered Accountants

FRN : 322130E

(CA Anil Kr. Mandawewala)

Partner

M. No. : 055939

1, British Indian Street, 1st Floor

Suite No. - 110D, Kolkata - 700 069.

Dated : The 29th day of May, 2015

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)

For and on behalf of the Board

Sanjay Kumar Gupta

Executive Director / CEO

Aloke Kumar Gupta

Director

S. N. Khemka

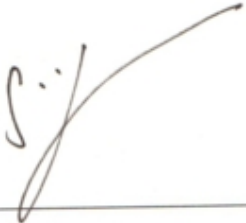


CFO

Parul Rajgaria

Director & Company Secretary



FORM - A

1.	Name of the Company	Paragon Finance Limited
2.	Annual financial statements for the year ended	31 st March, 2015
3.	Type of Audit Observation	Unqualified Audit Report
4.	Frequency of Observation	Not Applicable
5.	To be signed by -	
	<ul style="list-style-type: none">Mr. Sanjay Kumar Gupta (CEO)	
	<ul style="list-style-type: none">Mr. Satya Narayan Khemka (CFO)	
	<ul style="list-style-type: none">M/s Mandawewala & Co. (Auditor of the Company)	For MANDAWEWALA & CO. Chartered Accountants  (CA. ANIL KR. MANDAWEWALA) Partner M. No. - 055939
	<ul style="list-style-type: none">Mr. Ravi Agarwala (Audit Committee Chairman)	