



## PARAGON FINANCE LIMITED

### Corporate Information

#### **BOARD OF DIRECTORS :**

Mr. Sanjay Kumar Gupta	Executive Director
Mr. Aloke Kumar Gupta	Non-Executive Director
Mr. Manoj Kumar Gupta	Non-Executive Director
Mrs. Reena Gupta	Non-Executive Director
Mr. Suvabrato Ganguly	Independent Director
Mr. Sanjay Goenka	Independent Director
Mr. Vishnu Lohia	Independent Director
Mr. Ravi Agarwalla	Independent Director

#### **COMPANY SECRETARY :**

Ms. Parul Rajgaria

#### **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	04
3. Management Discussion and Analysis Report	07
4. Corporate Governance Report	09
5. Auditors' Report	19
6. Balance Sheet	26
7. Profit & Loss Account	27
8. Cash Flow Statement	28
9. Notes on Accounts	29
10. NBFC Report	41

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

**RANCHI OFFICES** : 1. H. B. Road, Kokar, Ranchi - 834 009  
2. Sharma Market, Gola Road, Ramgarh Cantt

**BANGALORE OFFICES** : 302, Eden Park, 20, Vittal Mallya Road, Bangalore - 560 001

Website : [www.paragonfinanceltd.com](http://www.paragonfinanceltd.com)



## PARAGON FINANCE LIMITED

### NOTICE

NOTICE is hereby given that the Twenty Seventh 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 - 700 071 on Friday, the 27th day of September, 2013 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, 2013 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 who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To appoint a Director in place of Mr. Manoj Kumar Gupta who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To appoint the Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### **SPECIAL BUSINESS:**

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

**"RESOLVED THAT** pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company or its Committee as may be authorized by the Board of Directors, to borrow for the purpose of the business of the Company from time to time on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the Paid up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, so that the total amounts up to which the monies may be borrowed by the Board of Directors shall not at any time exceed Rs.50 Crores (Rupees Fifty Crores only).

**RESOLVED FURTHER THAT** the Board or such Committee or person(s) as authorized by the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it/they may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the Members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board  
Parul Rajgaria  
Company Secretary

Place : Kolkata  
Dated : 14th August, 2013

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF 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 MEETING.**
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 23rd September, 2013 to 27th September, 2013 (both days inclusive).
3. Members are requested to intimate the change in their address, and e-mail id Registered Office of the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 293(1)(D):**

According to Section 293(1)(d) of the Companies Act, 1956 the Board of directors shall not except with the consent of the shareholders in the General Meeting, borrow monies, when the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained in the ordinary course of business from banks) exceed the aggregate of the paid up capital of the Company and free reserves i.e. reserves not set apart for any specific purpose provided that the total amount upto which monies may be borrowed by the Company shall not exceed Rs. 50,00,00,000/- (Rupees Fifty Crores Only).

The Directors recommend the members to pass the resolution

No Directors are interested in the resolution except for the profit of the company as a whole.

*Registered Office :*  
"Sikkim House"  
4/1, Middleton Street, 4th Floor  
Kolkata - 700 071.

*By order of the Board*  
Parul Rajgaria  
Company Secretary

Date : 14th August, 2013

## **DIRECTORS' REPORT**

To,  
The Members

Dear Members,

The Board of Directors hereby presents the 27th Annual Report on the business and operations of your Company for the year ended 31st March, 2013.

### **Financial Results :**

	<b>Year</b>	<b>₹ in Lacs</b>
	<b><u>2012-2013</u></b>	<b><u>2011-2012</u></b>
Total Income	573.03	610.22
Gorss Profit	347.32	350.06
Less : Interest	217.63	246.04
Less : Prov. For Standard Assets	(0.89)	1.11
Cash Profit	130.58	102.91
Depreciation	10.75	10.36
Profit (Loss) before Tax	119.83	92.55
Provision for Taxation	28.82	26.18
Transfer from Prov. for Deferred Tax	(0.67)	(0.39)
Profit after Tax	91.68	66.76
Add : Profit Brought Forward	718.20	664.79
Profit available for Appropriation	809.88	731.55
Less : Transfer to General Reserve	18.34	13.35
Balance carried to Balance Sheet	791.54	718.20
Reserve excl. Revaluation Reserve	1233.59	1141.91

### **DIVIDEND**

The Board has not recommended any dividend for the year.

### **OPERATIONS**

The Income from the Operations decreased by 9.42% in comparison to the previous year. Loans against security of vehicles decreased by 8.72%. The Shareholders Funds as on 31.03.2013 were Rs.1658.59 Lacs reflecting the inherent financial strength of the Company.

### **DIRECTORS**

In accordance with the provisions of Section 256 of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Alope Kumar Gupta and Mr. Manoj Kumar Gupta, Directors, will be liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Necessary resolutions for appointment and re-appointment of the aforesaid Directors have been included in the Notice of the ensuing Annual General Meeting.

**AUDITORS**

The Auditors, Messrs. Mandawewala & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

**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 2012-13 is annexed hereto.

**AUDITORS' REPORT**

With reference to the observations and qualifications made by the Auditors in their report, the Directors wish to state that the relevant notes forming part of the Company's accounts as given under Notes (No. 1 - 21) are self-explanatory in this regard and hence do not require any further explanation.

**EMPLOYEES**

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the company has no employee employed during the year or part of the year who was in receipt of remuneration in excess of the sum prescribed therein.

**PUBLIC DEPOSITS**

The Company has not accepted any fixed deposits during the year 2012-13 from the public/shareholders.

**LISTING**

The Company's shares are listed with BSE having nation wide trading terminal under SEBI (ICDR) guidelines 2009. The Listing fees to the Stock Exchanges for the year 2012-13 have been paid. The address of the said Stock Exchange is as follows:

The Stock Exchange, Mumbai

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400001.

**MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report has been annexed to this report in terms of Listing Agreement.

**CORPORATE GOVERNANCE**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provision of section 217(2AA) of the Companies Act, 1956 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, 2013 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, 1956 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 company has followed Revised schedule VI in accounting policies.

**ADDITIONAL INFORMATION**

In terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rule, 1988. Your Directors furnish hereunder the additional information as required :

**a) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

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.

**b) FOREIGN EXCHANGE EARNING AND OUTGO**

	(₹ in Lacs)
i) Foreign Exchange Earnings	NIL
ii) Foreign Exchange outgo	NIL

**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, brokers, dealers, banks, financial institutions and all others associated with the company.

**INDUSTRIAL RELATIONS AND PERSONNEL**

Industrial relations remained cordial and satisfactory. The Directors wish to place on record their deep sense of appreciation of the devoted services rendered by all officers, staff and workers of the Company.

Place : Kolkata  
Date : 30.05.2013

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

## **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**

The year 2012-13 has been the most challenging year for the global economy as India's economic growth rate estimated this fiscal is lower at 5%, lowest in a decade, as compared to the growth rate of 6.2% in 2011-12. The growth estimated is drastically lower than what has been projected by the government and RBI. Slowdown in the sectors of the economy, has hastened by Domestic policy uncertainties, impact of inflation in real consumption and inadequate investments. The reason contributing this way has been under control after RBI has taken decision to boost up the economy by easing down the light monetary policy.

### **INDUSTRY OVERVIEW**

The Commercial Vehicle (CV) industry has been struggling for the past few years. India registered a de-growth of 2.0% in the year 2012-13 on the overall Commercial Vehicles as compared to the growth of 18.2% in the year 2011-12. This was mainly on account of increased cost of finance and top it all. revision in diesel prices led to higher operating cost for the truck owners. While the growth in Medium & Heavy Commercial Vehicle (M&HCVs) has declined by 23%, demand for Light Commercial Vehicle (LCV) space grew to 14% over the period. Non-Banking Finance Companies (NBFCs) have emerged as important financial intermediaries for the small scale and retail sectors. The pre-owned commercial vehicle financing market size is estimated to be Rs. 1850 bn. The used CV market is largely unorganized and under penetrated with 65-70% market share with private financiers presenting enormous business opportunity for a sustainable long term growth. Your Company has prepared well for the challenging economic scenario expected next year as well as increasing competition in the Financing of M&HCV 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.

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 : 30.05.2013

Executive Director



**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 2012-13 hereunder:

**THE COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:**

Good Corporate Governance practice lies at the foundation of Paragon's business ethos. The Company does not view Corporate Governance principles as a set of binding obligations, but believes in using it as a framework to be followed in spirit. This is reflected in the Company's philosophy on Corporate Governance.

The Company believes that the management is the trustee of all investors' capital and is obligated to maximize shareholders value over the long term, while preserving the interests of all its stakeholders, such as employees, customers, business partners / vendors and the society at large. It is committed to high levels of ethics and integrity in all its business dealings that avoids all conflicts of interest. In order to conduct business with these principles, Paragon Finance Ltd creates simple corporate structures based on business needs and maintains a high degree of transparency through regular disclosures and a focus on adequate control systems.

**COMPOSITION OF THE BOARD :**

- The Board reviews the appropriate skills and characteristics required for Board members and for making recommendations to the Members in the General Meeting. The Board considers the mix of education, skills, experience, character, commitment, and background, all in the context of the requirements of the Board at that point in time.
- As on March 31, 2013 the Company's Board comprises 8 directors, of which one is an Executive Director and seven are non-executive Directors, which accounts for more than 50% of the Board Composition, in compliance with the Listing Agreement.
- The Board of Directors met 6 times during the year on April 12, 2012, May 30, 2012, August 14, 2012, September 28, 2012, November 09, 2012, and February 11, 2013. The maximum gap between any two meetings was less than 4 months.

**COMPOSITION OF THE BOARD OF DIRECTORS AS ON MARCH 31, 2013**

Names of Director	Nature of Directorships	Attendance Particulars		Number of other Directorships and Committee Memberships / Chairmanships		
		Board Meetings	AGM held on 28.09.12	Other Directorships	Committee Memberships	Committee Chairmanships
Sanjay Kumar Gupta	Executive	6	Yes	14	NIL	NIL
Aloke Kumar Gupta	Non-Executive	6	Yes	7	1	NIL
Manoj Kumar Gupta	Non-Executive	4	Yes	8	1	NIL
Reena Gupta	Non-Executive	6	Yes	2	NIL	NIL
Sanjay Goenka	Non-Executive	6	Yes	3	NIL	1
Suvabrato Ganguly	Non-Executive	6	Yes	6	1	NIL
Vishnu Lohia	Non-Executive	6	Yes	3	1	NIL
Ravi Agarwalla	Non-Executive	6	Yes	1	NIL	1

No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956, 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.

**AUDIT COMMITTEE :**

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

- Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The functions and scope of the Audit Committee includes review of Company's financial reporting, internal controls, related party transactions, insider trading and disclosure in financial statements, management discussion and analysis, risk mitigation mechanism, appointment of statutory auditor and internal auditor and all other aspects as specified by Clause 49 of the Listing Agreement.

Name of the Member	Position	Status	No. of meeting held	No. of meeting attended
Mr. Ravi Agarwalla	Chairman	Non-executive	4	4
Mr. Suvabrato Ganguly	Member	Non-executive	4	4
Mr. Manoj Kumar Gupta	Member	Non-executive	4	4

**SHAREHOLDERS' / INVESTORS' GREIVANCE COMMITTEE :**

The Committee supervises the systems of redressal of Investor Grievances and ensures cordial investor relations. The scope and functions of the Committee also includes approval of transfer and transmission of shares and other matters like consolidation of certificates, issue of duplicate share certificates, dematerialization/rematerialization of shares in stipulated time period. Minutes of its meetings and resolutions passed by the Committee through circulation are placed at the Board Meetings for information.

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

Details of queries and grievances received and attended by the company during the year 2012-13 are given as follows :

**STATUS OF COMPLAINTS RECEIVED AND ATTENDED TO DURING 2012-13**

Pending as on 31st March, 2012	Received during the year	Answered during the year	Pending as on 31st March, 2013
0	0	0	0

The Shareholders/Investor Grievance Committee consists of Mr. Sanjay Goenka, Mr. Alope Kumar Gupta and Mr. Vishnu Lohia. The Committee met two times in the year under review on July 12, 2012 and January 07, 2013.

**ATTENDANCE DETAILS OF COMPANY'S SHAREHOLDERS/INVESTOR GRIEVANCE**

Name of the Member	Position	Status	No. of meeting held	No. of meeting attended
Mr. Sanjay Goenka	Chairman	Non-executive	2	2
Mr. Alope Kumar Gupta	Member	Non-executive	2	2
Mr. Vishnu Lohia	Member	Non-executive	2	2

**REMUNERATION OF DIRECTORS :**

The Company has a policy of remunerating Executive Director by way of monthly salary. No remuneration was paid to non-executive Directors. Sitting fees for all Directors are being waived; as such there is no need to constitute a Remuneration Committee.

Mr. Sanjay Kumar Gupta, the Executive Director was remunerated with a sum of Rs. 4,80,000/- (Rupees Four Lacs Eighty Thousand only) for the period 1st April, 2012 to 31st March, 2013.

**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 2012-13.
- There were no transactions made during the financial year 2012-13, 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 four years.
- It has always been the Company's policy and practices that apart from matters requiring the Boards approval by statute, all major decisions including quarterly results of the Company. financial restructuring, capital expenditure proposals, material investment proposal etc. are regularly placed before the Board. This is in addition to information with regard to actual operation, major litigation, feedback reports and minutes of all committee meetings. All the Directors who are on various committees are within permissible limits of the listing agreement.

**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.

**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.

<b>AGM</b>	<b>AGM Date</b>	<b>Time</b>	<b>Venue</b>
Twenty Fourth	29.09.10	10.00A.M.	4/1, Middleton Street, Kolkata-700071
Twenty Fifth	29.09.11	10.00A.M.	4/1, Middleton Street, Kolkata-700071
Twenty Sixth	28.09.12	10.00A.M.	4/1, Middleton Street, Kolkata-700071

**POSTAL BALLOT :**

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

**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 27th AGM                  | : 27th September, 2013 at 10:00 A.M.<br>At 4/1, Middleton Street, Sikkim House,<br>4th Floor, Kolkata - 700 071.        |
| 2. Financial Calendar for 2013-14 (Tentative)        |   |
| 28th Annual General Meeting                          | : On or before 30th September, 2014   |
| First Quarter Results                                | : On or before 14th August, 2013  |
| Second Quarter Results                               | : On or before 14th November, 2013  |
| Third Quarter Results                                | : On or before 14th February, 2014  |
| Results for the financial year ending March 31, 2014 | : On or before 30th May, 2014   |
| 3. Date of Book Closure                              | : From 23.09.2013 to 27.09.2013<br>(Both days inclusive)  |
| 4. Listing on Stock Exchange                         | : Bombay Stock Exchange   |
| 5. Listing Fees                                      | : Paid as per listing agreement   |
| 6. Demat Arrangement                                 | : With NSDL and CDSL  |
| 7. ISIN  | : INE015E01012  |
| 8. BSE Scrip Code                                    | : 531255  |
| 9. Registered Office                                 | : 4/1, Middleton Street, Sikkim House<br>4th Floor, Kolkata - 700 071   |
| 10. Company's e-mail Id                              | : paragoncal@gmail.com  |
| 11. Company's Website                                | : www.paragonfinanceltd.com   |
| 12. Registrar & Share Transfer Agents                | : Niche Technologies Pvt. Ltd.<br>71, B. R. B. Basu Road, 5th Floor<br>Kolkata - 700 001<br>Dial : 033-22357270/71/3070 |
| 13. Compliance Officer                               | : Ms. Parul Rajgaria<br>Company Secretary   |

14. Stock Market price data for the  
Year 2012-13

: Monthly high and low quotation  
during 1st April 2012 to 31st March, 2013  
is given in the Table below :

Month	The Stock Exchange, Mumbai	
	High (Rs.)	Low (Rs.)
April, 2012	17.00	14.55
May, 2012	13.83	13.50
June, 2012	14.00	11.80
July, 2012	12.00	11.00
August, 2012	11.55	7.90
September, 2012	7.90	7.90
October, 2012	7.90	7.90
November, 2012	14.82	8.29
December, 2012	18.01	15.14
January, 2013	15.15	10.40
February, 2013	10.92	9.95
March, 2013	12.03	10.55

15. Shareholders pattern as on 31.03.2013 is as given below :

Sl. No.	Category	No. of Shares	% of Paid-up Capital
1.	Promoters	1959305	46.101
2.	Mutual Funds & UTI	0	0
3.	Bank, Financial Institutions, Insurance Companies (Central/State Govt. Institutions, Non Govt. Institutions)	0	0
4.	Private Corporate Bodies	1284405	30.221
5.	Indian Public	992957	23.364
6.	NRI/OCBS	5400	0.127
7.	Any other (Please specify) Clearing Members	7933	0.187
	<b>Total</b>	4250000	100.000

**ANNUAL REPORT  
2012-2013**

16. Distribution Schedule as on 31.03.2013

Shares of Nominal Value of (Rs.)			SHAREHOLDERS		SHAREHOLDING	
			Nos.	%	Nos.	%
1	to	500	669	79.6429	106368	2.5028
501	to	1000	74	8.8095	61158	1.4390
1001	to	5000	60	7.1429	120590	2.8374
5001	to	10000	2	0.2381	13531	0.3184
10001	to	50000	9	1.0714	196100	4.6140
50001	to	100000	11	1.3095	691048	16.2600
100001	&	Above	15	1.7857	3061205	72.0284
<b>Total</b>			<b>840</b>	<b>100.0000</b>	<b>4250000</b>	<b>100.0000</b>

17. Dematerialization of Shares : 97.19% of the Company's Shares are held in electronic form as on March 31, 2013, whereas on March 31, 2012 it was 97.19%. 0.002% of the Company's shares have been applied for dematerialization since April, 2012.

### CEO/CFO CERTIFICATION

I, Sanjay Kumar Gupta, the Executive Director of the Company certify to the Board that:

- a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of my knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) 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 my knowledge and belief, no transactions entered into by the company during the year ended 31<sup>st</sup> March, 2013 which is fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or proposed to take to rectify the same.
- d) I have disclosed, based on my evaluation wherever applicable, to the Auditors and the Audit Committee that:
  - i) there were no significant change in internal control over financial reporting during the year;
  - ii) all the significant changes in accounting policies during the year, if any, have been disclosed in the notes to accounts; and
  - iii) there were no instances of significant fraud of which I am aware, with the involvement of the management or any employee having significant role in the company's internal control system over the financial reporting process.

Place : Kolkata  
Date : 30.05.2013

**Sanjay Kumar Gupta**  
Executive Director



**DECLARATION ON CODE OF CONDUCT PURSUANT TO CLAUSE 49  
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, 2013.

The said Code of Conduct is available on the website of the Company i.e. [www.paragonfinanceltd.com](http://www.paragonfinanceltd.com).

Place : Kolkata  
Date : 30.05.2013

**Sanjay Kumar Gupta**  
Executive Director

**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'2013, 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 30th day of May, 2013

**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 March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements :**

Management is responsible for the preparation of these financial statements that give a true and fair view of the 'financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

**Opinion :**

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

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other legal and Regulatory Requirements :**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet, 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**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 30th day of May, 2013

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph (1) of our report of even date)

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 and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of company and the nature of its assets. No materials discrepancies were noticed on such verification.
  - c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the company during the year.
2.
  - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The Company has received confirmation of Shares lying with depository participants at regular intervals.
  - 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.
  - a) The Company has not given any loans, secured or unsecured to Companies, Firms or other parties listed in the register maintained pursuant to provision of section 301 of the Companies Act, 1956.
  - b) The Company had taken loan from sixteen companies/parties listed in the register maintained pursuant to provision of sections 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 3060.10 lakhs and the year-end balance of loans taken from such parties was ₹ 1973.46 lakhs.
  - c) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
  - d) In respect of loans taken by the company, the interest payments are regular and the principal amount is repayable on demand. There is no overdue amount in respect of such loans taken by the Company.
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.

**ANNUAL REPORT  
2012-2013**

5. a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
  
b) No transaction of any amount of purchase of goods and materials and sale of goods, materials and services as aggregating to Rs. 5,00,000/- during the year has been made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the company has not taken any loan (Secured or Unsecured) nor has it accepted any deposit from the public within the meaning of Section 58A and Section 58AA or any other relevant provisions of the Companies Act, 1956.
7. In our opinion, the internal audit system of the company is commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under section 209 (l) (d) of the Companies Act, 1956 for any of the products of the company.
9. a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.  
  
According to the information and explanations given to us, no undisputed amounts payable in respects of Income -Tax, Wealth-Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty and cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.  
  
c) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.
10. The company has no accumulated losses as at 31st March, 2013 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any bank as at the balance sheet date.
12. In our opinion, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

14. The company has maintained proper records of transactions and contracts in respect of trading in shares, securities, debentures and other investment and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the company in its own name except as permissible under section 49 of the Companies Act, 1956.
15. 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 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
16. The company has not obtained any term loans.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
18. In our opinion and according to the information and explanations given to us, the company has not allotted preferential shares during the year to any parties covered U/S 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**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 30th day of May, 2013



**TO THE BOARD OF DIRECTORS,**

We have examined the attached Balance Sheet of M/S **PARAGON FINANCE LIMITED** as at 31st March, 2013 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 non banking 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 30th day of May, 2013

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013**

Particulars	Note No.	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Fund</b>			
(a) Share capital	2	42,500,000	42,500,000
(b) Reserves and surplus	3	123,359,276	114,191,420
		<u>165,859,276</u>	<u>156,691,420</u>
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	4	157,028,942	194,805,000
(b) Other long-term liabilities	5	6,973,964	12,558,073
(c) Long-term provisions	6	239,190	313,043
		<u>164,242,096</u>	<u>207,676,116</u>
<b>3. Current liabilities</b>			
(a) Short-term borrowings	7	25,366,541	8,817,362
(b) Other current liabilities	8	36,928,226	33,411,091
(c) Short-term provisions	9	499,863	514,885
		<u>62,794,630</u>	<u>42,743,338</u>
	<b>Total</b>	<u>392,896,002</u>	<u>407,110,874</u>
<b>B. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
-Tangible assets	10	6,510,740	4,645,222
(b) Non-current investments	11	54,745,441	55,632,370
(c) Deferred tax assets (net)	1.B.4	345,535	278,676
(d) Long-term loans and advances	12	95,848,596	125,241,260
(e) Other non-current assets	13	302,000	302,000
		<u>157,752,312</u>	<u>186,099,528</u>
<b>2. Current assets</b>			
(a) Trade receivables	14	–	11,659
(b) Cash and cash equivalents	15	10,384,414	6,359,519
(c) Short-term loans and advances	16	224,759,276	214,640,168
		<u>235,143,690</u>	<u>221,011,346</u>
	<b>Total</b>	<u>392,896,002</u>	<u>407,110,874</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 30th day of May, 2013

For and on behalf of the Board

**Sanjay Kumar Gupta**

Executive Director

**Aloke Kumar Gupta**

Director

**Manoj Kumar Gupta**

Director

**Parul Rajgaria**

Company Secretary

**ANNUAL REPORT  
2012-2013**

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

Particulars	Note No.	For the year ended 31st March, 2013 (₹)	For the year ended 31st March, 2012 (₹)
1. Revenue from operations	17	52,321,339	57,762,392
2. Other income	18	4,981,656	3,259,463
3. Total revenue (1+2)		<u>57,302,995</u>	<u>61,021,855</u>
<b>4. Expenses</b>			
(a) Employee benefits expense	19	4,696,333	4,138,357
(b) Finance costs	20	21,763,293	24,603,805
(c) Depreciation and amortisation expense	10	1,075,058	1,035,954
(d) Other expenses	21	17,873,873	21,877,711
(e) Provision for Standard Assets		(88,875)	110,939
<b>5. Total expenses</b>		<u>45,319,682</u>	<u>51,766,766</u>
<b>6. Profit before tax (3 - 5)</b>		<u>11,983,313</u>	<u>9,255,089</u>
<b>7. Tax expenses :</b>			
(a) Tax expense for current year		2,763,485	2,493,003
(b) Tax expense relating to prior years		5,803	73,949
(c) Security Transaction Tax		113,028	51,193
(d) Deferred tax		(66,859)	(39,429)
		<u>2,815,457</u>	<u>2,578,716</u>
<b>8. Profit for the year (6 - 7)</b>		<u>9,167,856</u>	<u>6,676,373</u>
<b>9. Earnings per share (of ₹ 10/- each) :</b>			
Basic / Diluted		2.16	1.57

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 30th day of May, 2013

For and on behalf of the Board  
**Sanjay Kumar Gupta**  
Executive Director  
**Aloke Kumar Gupta**  
Director  
**Manoj Kumar Gupta**  
Director  
**Parul Rajgaria**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	31st March, 2013	31st March, 2012
	(₹)	(₹)
<b>A. <u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net Profit before Tax & Extra ordinary items & interest	33746606	33858894
<b>Adjustment for :</b>		
Depreciation	1075058	1035954
Contingent Provision against Standard Assets	(88875)	110939
Profit / Loss on Sale of Fixed Assets	24854	(12279)
	<u>34757643</u>	<u>34993508</u>
<b>Operating Profit before Working Capital changes</b>		
<b>Adjustment for :</b>		
Long Term Loans and Advances	29392664	(848967)
Trade Receivables	11659	344200
Short Term Loans and Advances	(10119108)	(42700025)
Other Long Term Liabilities	(5584109)	771306
Other Current Liabilities	3517135	(4176540)
Cash generated from Operation	51975884	(11616518)
Interest paid	(21763293)	(24603805)
Tax Paid	(2882316)	(2618145)
Net Cash from Operating activities (A)	<u>27330275</u>	<u>(38838468)</u>
<b>B. <u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Purchase of Fixed Assets	(4948431)	(1144143)
Sale of Fixed Assets	1983001	70000
Sale of Investments	886929	3798724
Net Cash used in investing activities (B)	<u>(2078501)</u>	<u>2724581</u>
<b>C. <u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Loans borrowed (Net of repayments)	(21226879)	35526610
Net Cash from Financing activities (C)	<u>(21226879)</u>	<u>35526610</u>
Net increase in Cash and Cash equivalent (A+B+C)	4024895	(587277)
Cash and Cash equivalents at the beginning of the year	6359519	6946796
Cash & Cash equivalents of close of the year	<u>10384414</u>	<u>6359519</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 30th day of May, 2013

For and on behalf of the Board  
**Sanjay Kumar Gupta**  
Executive Director  
**Aloke Kumar Gupta**  
Director  
**Manoj Kumar Gupta**  
Director  
**Parul Rajgaria**  
Company Secretary

**Notes forming part of the financial statements for the  
year ended 31st March, 2013.**

**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, 1956 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.

The depreciation has been provided in accordance with the provisions of the Schedule XIV of Companies Act, 1956 on Written Down Value Method.

**(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 apart 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 are 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, 2013.**

**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.

**(7) 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 revised schedule VI, 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 vehicles are valued at agreement value less Installment received and Unmatured interest.

**Notes forming part of the financial statements for the year ended 31st March, 2013.**

**(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 - Executive Director  
Mr. Aloke Kumar Gupta - Director  
Mr. Manoj Kumar Gupta - Director  
Mrs. Reena Gupta - Director

b) Relative of Key Management Personnel

Gayatri Gupta - Mother of director

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

Saharsh Estates Pvt. Ltd. - Gayatri Gupta Mother of director

**Particulars of Transactions**

(₹)

Nature of Transactions	(a)	(b)	(c)	Total
Salary paid	480000 (480000)	NIL	NIL	480000 (480000)
Interest Paid	545646 (512845)	NIL (NIL)	1651495 (1493213)	2197141 (2006058)
Rent Paid	NIL	120000 (120000)	NIL	120000 (120000)
Balances outstanding at the end of the year				
Borrowings	13085024 (2167556)	NIL (NIL)	17986345 (17043893)	31071369 (19211449)

Note : Figures within brackets are those for previous year.

**(4) Deffered Tax Assets**

In terms of Accounting Standard 22, issued by the Institute of Chartered Accountants of India. For the Current Year, there is a net deferred tax asset of ₹ 66,859/-. The Deffered Tax Asset as on 31st March, 2013 was ₹ 3,45,535/- 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 31.03.2013	Year Ended on 31.03.2012
Total No. of Shares	Nos.	4,250,000	4,250,000
Profit (Loss) After Tax	₹	9,167,856	6,676,373
Earning Per Share	₹	2.16	1.57

**Notes forming part of the financial statements for the year ended 31st March, 2013.**

(7) The Reserve Bank of India (RBI) vide its Notification No. DNBS. 223/CGM(US) - 2011 dated 17th January, 2011 has issued directions to all NBFCs to make provision of 0.25% against Standard Assets with immediate effect. Accordingly, the Company has made provision of ₹ 88,875/- during the year against Standard Assets which has been charged to Profit & Loss Account.

**(8) Contingent Liabilities :**

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.

(9) Loans & Advances under Note '13' include ₹ 3,00,000/- being the cash seized by the Income Tax Department.

(10) Additional Information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 to the extent presently applicable to the Company - NIL

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

**Notes - 2 : Share capital**

**(a) Authorized, Issued, Subscribed and paid-up share capital**

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
<b>Authorized</b>				
Equity shares of ₹ 10 each with voting rights	6,250,000	62,500,000	6,250,000	62,500,000
	<u>6,250,000</u>	<u>62,500,000</u>	<u>6,250,000</u>	<u>62,500,000</u>
<b>Issued, Subscribed and fully paid up</b>				
Equity shares of ₹ 10 each with voting rights	4,250,000	42,500,000	4,250,000	42,500,000
<b>Total</b>	<u>4,250,000</u>	<u>42,500,000</u>	<u>4,250,000</u>	<u>42,500,000</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
<b>Equity shares with voting rights</b>			
<u>Year ended 31st March, 2013</u>			
- Number of shares	4,250,000	-	4,250,000
- Amount (₹)	(42,500,000)	-	(42,500,000)
<u>Year ended 31st March, 2012</u>			
- Number of shares	4,250,000	-	4,250,000
- Amount (₹)	(42,500,000)	-	(42,500,000)



**Notes forming part of the financial statements for the year ended 31st March, 2013.**

**(c) Terms/rights attached to equity shares :**

The company has only one class of equity shares having per 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, 2013		As at 31 March, 2012	
	Number	% age	Number	% age
<b>Equity shares with voting rights</b>				
KIT COMMERCIAL (P) LTD.	322,700	7.59	322,700	7.59
RAGA COMMERCIAL PVT. LTD.	315,700	7.43	315,700	7.43
VEDANT FINANCIAL CONSULTANTS PVT. LTD.	406,878	9.57	406,878	9.57

Particulars	As at		As at	
	31st March, 2013		31st March, 2012	
	(₹)		(₹)	

**Note - 3 : Reserves and surplus**

<b>(a) Statutory reserve beginning</b>		
Balance at the beginning of the year	17,234,015	15,898,740
Add : Additions during the year	1,833,571	1,335,275
Less : Utilised / transferred during the year	—	—
Closing Balance	<u>19,067,586</u>	<u>17,234,015</u>
<b>(b) Securities premium account</b>		
Balance at the beginning of the year	<u>25,137,500</u>	<u>25,137,500</u>
<b>(c) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	71,819,905	66,478,807
Add : Profit / (Loss) for the year	<u>9,167,856</u>	<u>6,676,373</u>
	80,987,761	73,155,180
Less : Transferred to Statutory reserve	<u>1,833,571</u>	<u>1,335,275</u>
Closing Balance	<u>79,154,190</u>	<u>71,819,905</u>
<b>Grand Total (a + b + c)</b>	<u>123,359,276</u>	<u>114,191,420</u>

**Note - 4 : Long-Term Borrowings :**

<b>(a) Term loans</b>		
- From Citicorp Finance (India) Ltd. - Secured	1,000,000	7,000,000
<b>(b) Loans and advances from related parties</b>		
- Unsecured (Refer Note 1 B.3)	29,093,942	17,400,001
<b>(c) Loans and Advances from Body Corporates</b>		
- Unsecured	<u>126,935,000</u>	<u>170,404,999</u>
<b>Total</b>	<u>157,028,942</u>	<u>194,805,000</u>

**Note 4.1 :** Loan from Citicorp Finance (India) Ltd. is secured by Pledge of Shares

**Notes forming part of the financial statements for the year ended 31st March, 2013.**

Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
<b>Note - 5 : Other Long-Term Liabilities</b>		
(a) Advances from Customers	6,973,964	12,558,073
<b>Total</b>	<u>6,973,964</u>	<u>12,558,073</u>
<b>Note - 6 : Long-term provisions</b>		
(a) Contingent Provision against Standard Assets (As per RBI Directions dated 17.01.2011)	239,190	313,043
<b>Total</b>	<u>239,190</u>	<u>313,043</u>
<b>Note - 7 : Short-Term Borrowings</b>		
(a) Loans repayable on demand From Banks		
- Secured		
Overdraft from HDFC Bank	1,957,852	401,819
Overdraft from UCO Bank	-	5,396,115
Overdraft from Canara Bank	170,681	333,224
Overdraft from SBI	2,718,362	2,686,204
Overdraft from Punjab & Sind Bank	20,519,646	-
<b>Total</b>	<u>25,366,541</u>	<u>8,817,362</u>
<b>Note - 7.1 : Details of security for the secured short-term borrowings :</b>		
(a) Overdraft from Banks are secured by Hypothecation of Fixed Deposits and Land.		
(b) Cash credits Accounts from banks are secured by Hypothecation of Finance Document and Personal Gurantees of Directors.		
<b>Note - 8 : Other current liabilities</b>		
(a) Current maturities of long-term debt - (Refer Note 8.1 below)	17,221,084	9,365,297
(b) <u>Other payables</u>		
(i) Liability for Expenses	575,357	219,739
(ii) TDS payable	2,202,629	2,630,746
(iii) Advance from Parties	13,500	2,578,344
(iv) Advance Initial Hire	135,000	23,500
(v) Trade / Security Deposits received	2,402,331	3,436,756
(vi) Advances from Customers	10,138,715	15,025,629
(vii) Other Payables	4,239,610	131,080
<b>Total</b>	<u>36,928,226</u>	<u>33,411,091</u>

**Notes forming part of the financial statements for the year ended 31st March, 2013.**

<b>Particulars</b>	<b>As at 31st March, 2013 (₹)</b>	<b>As at 31st March, 2012 (₹)</b>
<b><u>Note 8.1 : Detail of Current Maturities of Long-Term Debt</u></b>		
(a) Term loans		
- From Citicorp Finance (India) Ltd.	50,597	287,464
(b) Loans and Advances from Related Parties		
- Unsecured (Refer Note 1.B.3)	1,977,427	1,811,448
(c) Loans and Advances from Body Corporate		
- Unsecured	15,193,060	7,266,385
<b>Total</b>	<u>17,221,084</u>	<u>9,365,297</u>
For Detail of Security against Term Loan Refer Note 4.1		
<b><u>Note - 9 : Short-Term Provisions</u></b>		
(a) Contingent Provision against Standard Assets	499,863	514,885
<b>Total</b>	<u>499,863</u>	<u>514,885</u>

**Notes forming part of the financial statements for the year ended 31st March, 2013.**

**Note - 10 : Fixed Assets**

Tangible Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Balance as at 01.04.2012	Addition	Deduction	Balance as at 31.03.2013	For the Year	Adjustment	Balance as at 31.03.2013	Balance as at 31.03.2012
<b>Tangible Assets</b>								
(a) Land & Building	1,578,754	1,736,840	-	3,315,594	101,683	-	2,778,993	1,143,836
(b) Furniture & Fixture	261,308	24,520	-	285,828	16,686	-	84,123	76,289
(c) Vehicles	6,617,228	2,686,561	2,535,260	6,768,529	703,128	527,405	2,177,436	2,201,858
(d) Office Equipment	701,707	261,950	-	963,657	62,882	-	492,146	293,078
(e) Computer	1,479,333	101,710	-	1,581,043	81,247	-	190,991	170,528
(f) Air Conditioner	627,558	-	-	627,558	53,025	-	328,176	381,201
(g) Refrigerator	151,150	-	-	151,150	13,959	-	86,391	100,350
(h) Water Filter	33,930	-	-	33,930	2,772	-	17,153	19,925
(i) Electric Equip. & Fittings	170,271	-	-	170,271	5,247	-	32,476	37,723
(j) Cellular Phone	351,868	136,850	-	488,718	34,429	-	322,855	220,434
<b>GRAND TOTAL</b>	11,973,107	4,948,431	2,535,260	14,386,278	1,075,058	527,405	6,510,740	4,645,222
PREVIOUS YEAR	10,928,964	1,144,143	100,000	11,973,107	1,035,954	42,279	7,327,885	4,645,222

**Notes forming part of the financial statements for the year ended 31st March, 2013.**

**Note - 11 : Non-Current Investments**

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	₹	₹	₹	₹	₹	₹
<b>Not Trade investments</b>						
(a) Investment in equity instruments						
- of Various entities	50,998,497	575,330	51,573,827	46,385,426	575,330	46,960,756
(b) Investment in mutual funds	3,171,614	-	3,171,614	8,671,614	-	8,671,614
<b>Total</b>	<b>54,170,111</b>	<b>575,330</b>	<b>54,745,441</b>	<b>55,057,040</b>	<b>575,330</b>	<b>55,632,370</b>
Loss : Provision for diminution in value of Investments			-			-
<b>Total</b>			<b>54,745,441</b>			<b>55,632,370</b>
Aggregate market value of quoted Shares			51,939,416			49,082,395
NAV of Mutual Fund			4,205,668			11,382,017

**Notes forming part of the financial statements for the year ended 31st March, 2013.**

Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
<b>Note - 12 : Long-Term Loans and Advances</b>		
(a) Loan against Security of Vehicles		
- Secured, Considered Good	95,675,880	125,217,361
(b) Balances with Government Authorities		
(i) Advance Income Tax (Net of Provisions ₹ 52,56,488/-)	172,716	23,899
<b>Total</b>	<u>95,848,596</u>	<u>125,241,260</u>
<b>Note - 13 : Other Non-current assets</b>		
(a) Security Deposit	2,000	2,000
(b) Cash at Income Tax Department	300,000	300,000
<b>Total</b>	<u>302,000</u>	<u>302,000</u>
<b>Note - 14 : Trade Receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Other Trade receivables		
- Secured, considered good	-	11,659
<b>Total</b>	<u>-</u>	<u>11,659</u>
<b>Note - 15 : Cash and Cash equivalents</b>		
(a) Cash on Hand	5,951,156	2,870,583
(c) Balances with Banks		
(i) In Current Accounts	1,296,780	1,413,286
(ii) In Fixed Deposits	3,136,478	2,075,650
<b>Total</b>	<u>10,384,414</u>	<u>6,359,519</u>
<b>Note - 16 : Short-Term Loans and Advances</b>		
(a) Loans against Security of Vehicles		
- Secured, Considered Good	199,945,067	198,641,016
(b) Advance to Parties		
- Unsecured, Considered Good	17,604,600	8,546,260
(c) Other Loans		
- Unsecured, Considered Good	7,209,609	7,452,892
<b>Total</b>	<u>224,759,276</u>	<u>214,640,168</u>

**ANNUAL REPORT  
2012-2013**

**Notes forming part of the financial statements for the year ended 31st March, 2013.**

Particulars	For the year ended 31st March, 2013 (₹)	For the year ended 31st March, 2012 (₹)
<b>Note - 17 : Revenue from operations</b>		
(a) <u>Income From Financing Activity</u>		
(i) Interest on Loan	528,189	347,404
(ii) Interest on Loan against security of vehicles	51,793,150	57,414,988
<b>Total</b>	<u>52,321,339</u>	<u>57,762,392</u>
<b>Note - 18 : Other income</b>		
(a) <u>Interest income :</u>		
- Interest from Banks	252,867	134,792
(b) <u>Dividend income :</u>		
- From Long-Term Investments	1,046,759	1,008,709
(c) <u>Net gain on Sale of :</u>		
- Long-Term Investments	3,384,029	1,233,048
(d) Other Non-Operating Income (Refer note 18.1)	298,001	882,914
<b>Total</b>	<u>4,981,656</u>	<u>3,259,463</u>
<b>Note 18.1 Other non-operating income comprises :</b>		
Profit on Sale of Fixed Assets	(24,854)	12,279
Commission Received	47,295	533,598
Miscellaneous Income	275,560	337,037
<b>Total</b>	<u>298,001</u>	<u>882,914</u>
<b>Note 19 Employee benefits expense</b>		
Salaries and Wages	4,378,949	3,811,807
Staff Welfare Expenses	317,384	326,550
<b>Total</b>	<u>4,696,333</u>	<u>4,138,357</u>
<b>Note 20 Finance costs</b>		
(a) Interest expense on :		
(i) Bank Loan	2,329,537	918,944
(ii) Other Deposits	19,433,756	23,684,861
<b>Total</b>	<u>21,763,293</u>	<u>24,603,805</u>

**Notes forming part of the financial statements for the year ended 31st March, 2013.**

Particulars	For the year ended 31st March, 2013 (₹)	For the year ended 31st March, 2012 (₹)
<b>Note - 21 : Other expenses</b>		
Electricity Charges	395,462	438,613
Rent	276,000	276,000
<u>Repairs and Maintenance</u>		
- Machinery	97,916	187,036
- Others	732,728	783,218
Insurance	165,442	105,139
Rates and Taxes	44,649	9,982
Telephone Charges	419,619	458,066
Travelling and Conveyance	843,454	601,890
Printing and Stationery	1,061,620	1,024,067
Commission & Brokerage	6,794,975	10,719,835
Business Promotion	838,822	1,480,169
Vehicle Maintenance Expenses	839,948	688,041
Legal and Professional	790,130	1,235,125
Payments to Auditors (Refer Note 21.1 below)	74,180	98,180
Non-Performing Asset Written Off	1,515,534	1,404,495
Miscellaneous expenses	2,983,394	2,367,855
<b>Total</b>	17,873,873	21,877,711
<b>Note - 21.1 : Payment to Auditors comprises :</b>		
As Auditors - Statutory Audit	56,180	56,180
For Internal Audit	18,000	42,000
<b>Total</b>	74,180	98,180

In terms of our report on even date

**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 30th day of May, 2013



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

(as required in terms of paragraph 13 of Non-Banking Financial (Non-deposit Accepting or Holding)  
Companies Prudential Norms (Reserve Bank) Directions, 2007)

Particulars (₹ in lakhs)

Liabilities Side :	Amount Outstanding	Amount Overdue
<b>(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :</b>		
(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	NIL	NIL
(d) Inter-corporate loans and borrowing	1,601.14	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans (Specify nature- Cash Credit from Bank	253.67	NIL
- From Citi Corp Finance (India) Ltd.	10.51	
Please see note 1 below - From Directors	130.85	NIL
<b>Assets Side :</b>	Amount Outstanding	
<b>(2) Break-up of Loans and Advances including bills receivables (Other than those included in (3) below) :</b>		
(a) Secured	NIL	
(b) Unsecured		72.10
<b>(3) Brack up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities :</b>		
(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		2,956.21

**(4) Break up of Investments :**

Current Investments :

**1. Quoted :**

- (i) Shares : (a) Equity  
(b) Preference  
(ii) Debentures and Bonds  
(iii) Units of Mutual funds  
(iv) Government Securities  
(v) Others (Please Specify)

NIL  
NIL  
NIL  
NIL  
NIL

**2. Unquoted :**

- (i) Shares : (a) Equity  
(b) Preference  
(ii) Debentures and Bonds  
(iii) Units of Mutual funds  
(iv) Government Securities  
(v) Others (Please Specify)

NIL  
NIL  
NIL  
NIL  
NIL

Long Term Investment :

**1. Quoted :**

- (i) Shares : (a) Equity  
(b) Preference  
(ii) Debentures and Bonds  
(iii) Units of Mutual funds  
(iv) Government Securities  
(v) Others (Please Specify)

NIL  
NIL  
NIL  
NIL

509.98

31.72

**2. Unquoted :**

- (i) Shares : (a) Equity  
(b) Preference  
(ii) Debentures and Bonds  
(iii) Units of Mutual funds  
(iv) Government Securities  
(v) Others (Please Specify)

NIL  
NIL  
NIL  
NIL  
NIL

5.75

**(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	NIL	NIL
2. Other than related parties	2,948.82	72.10	3,020.92
Total	2,948.82	72.10	3,020.92

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

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties**		
(a) Subsidiaries	-	-
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	567.20	547.45
<b>Total</b>	<b>567.20</b>	<b>547.45</b>

**(7) Other Information**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(ii) Net Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(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 30th day of May, 2013

For and on behalf of the Board  
**Sanjay Kumar Gupta**  
Executive Director  
**Aloke Kumar Gupta**  
Director  
**Manoj Kumar Gupta**  
Director  
**Parul Rajgaria**  
Company Secretary

**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 - Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investment should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

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





# PARAGON FINANCE LIMITED

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E-mail : paragoncal@gmail.com, website : www.paragonfinanceltd.com

Regd Office .  
Sikkim House  
4/1, Middleton Street,  
Kolkata - 700 071

## FORM - A

1.	Name of the Company	Paragon Finance Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2013
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"><li>• Mr. Sanjay Kumar Gupta (CEO/CFO)</li></ul>	
	<ul style="list-style-type: none"><li>• Mr. Anil Kumar Mandawewala (Auditor of the Company)</li></ul>	
	<ul style="list-style-type: none"><li>• Mr. Ravi Agarwalla (Audit Committee Chairman)</li></ul>	