

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

Dear Members,

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

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

**DIVIDEND**

The Board has not recommended any dividend for the year.

**STATE OF THE COMPANY'S AFFAIRS**

The Income from Operation increased by 4.49% whereas Loans against security of vehicles has decreased by 4.33% during the year in comparison to the previous year. The Shareholders Funds as on 31.03.2018 were Rs.2,218.34 Lakhs reflecting the inherent financial strength of the Company.

**MATERIAL CHANGES AND COMMITMENTS**

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

**EXTRACT OF ANNUAL RETURN**

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

**DETAILS OF SUBSIDIARY/ASSOCIATE COMPANY/ JOINT VENTURE**

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

**DETAILS OF BOARD MEETINGS**

During the year, 6 (six) number of Board meetings were held as on April 6, 2017, May 30, 2017, August 14, 2017, September 26, 2017, November 14, 2017 and January 31, 2018 details of which are given below:

| <b>Name of Directors</b> | <b>No. of meeting attended</b> |
|--------------------------|--------------------------------|
| Mr. Sanjay Kumar Gupta   | 6                              |
| Mr. Alope KumarGupta     | 6                              |
| Mrs. Shreya Gupta        | 6                              |
| Mr. Suvobrata Ganguly    | 6                              |
| Mr. Ravi Agarwalla       | 6                              |
| Mr. Sanjay Goenka        | 6                              |
| Mrs. Anny Jain           | 6                              |
| Ms. Parul Rajgaria       | 6                              |

**COMMITTEES OF BOARD**

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

**a. Audit Committee**

| <b>Sl. No.</b> | <b>Name</b>            | <b>Chairman/ Members</b> |
|----------------|------------------------|--------------------------|
| 1              | Mr. Ravi Agarwalla     | Chairman                 |
| 2              | Mrs. Anny Jain         | Member                   |
| 3              | Mr. Sanjay Kumar Gupta | Member                   |

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

**Vigil mechanism**

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

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

**b. Nomination & Remuneration Committee**

| <b>Sl. No.</b> | <b>Name</b>        | <b>Chairman/ Members</b> |
|----------------|--------------------|--------------------------|
| 1              | Mrs. Anny Jain     | Chairman                 |
| 2              | Mr. Sanjay Goenka  | Member                   |
| 3              | Ms. Parul Rajgaria | Member                   |

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



**c. Stakeholders Relationship Committee**

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

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

**DIRECTORS & KEY MANAGERIAL PERSONNEL**

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

The proposals regarding the re- appointment of Mrs. Shreya Gupta as the Director of the company is placed for your approval.

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

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

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

**%AGE INCREASE IN REMUNERATION OF KMP FROM LAST YEAR :**

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

**RISK MANAGEMENT POLICY**

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



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

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

#### **DECLARATION BY INDEPENDENT DIRECTORS**

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

#### **COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the board, and separate its functions of governance and management. As on 31<sup>st</sup> March, 2018, the board consists of 8 members, one of whom is executive or whole time director, one of whom is KMP, two of whom are Non-Executive directors and 4 are independent directors. The Board periodically evaluates the need for change in its composition and size.

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

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

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

#### **PUBLIC DEPOSITS**

The Company has not accepted any fixed deposits during the year 2017-18 from the public/shareholders.

#### **INTERNAL FINANCIAL CONTROLS**

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

#### **STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS**

In the AGM held on 26.09.2017, M/s. Agarwal Maheshwari & Co., Chartered Accountants have been appointed as Statutory Auditors of the Company for a period of 5 financial years starting from the FY 2017-18 till 2021-22.

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



**INTERNAL AUDITOR**

M/s. S. Ratan & Co. has served as an internal auditor for the financial year 2017-18.

**CASH FLOW STATEMENT**

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

**PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS UNDER SECTION 186.**

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

**RELATED PARTY TRANSACTIONS**

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

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

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

**PARTICULARS OF EMPLOYEES**

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

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

**SECRETARIAL AUDIT**

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

**LISTING**

The Company's shares are listed with BSE having nationwide trading terminal under SEBI (ICDR) regulations, 2009. The Listing fees to the Stock Exchanges for the year 2017-18 have been paid. The address of the said Stock Exchange is as follows:

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

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



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

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

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

**BOARD EVALUATION**

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

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

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

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

**ARCHIVAL POLICY**

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

**ID FAMILIRISATION PROGRAMME**

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

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

**DEMAT SUSPENSE A/C**

There are no shares in demat suspense account or unclaimed suspense account as on 31.03.2018.



**CORPORATE SOCIAL RESPONSIBILITY**

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

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

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

**ACKNOWLEDGEMENT**

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

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

Place: Kolkata  
Date: 25.05.2018

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



**Form No. MGT-9**  
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2018  
Of  
PARAGON FINANCE LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN - L65921WB1986PLC040980
- ii) Registration Date – 21.07.1986
- iii) Name of the Company – PARAGON FINANCE LIMITED
- iv) Category / Sub-Category of the Company - NBFC
- v) Address of the Registered Office and contact details – 4/1, Middleton Street, Sikkim House, Kolkata – 700071, 033-40612288, 9331116100
- vi) Whether listed company Yes
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA) -  
  
Niche Technologies Pvt. Ltd., 71, B.R.B.Basu Road, 5th Floor, Kolkata – 700 001.  
Dial : 033-22357270/71/3070

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

| Sl. No. | Name and Description of main products /services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1.      | Interest from Financial Activities              | 64990                            | 97.00%                             |

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

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

**(i) Category-wise Share Holding**





| Category of Shareholders   | No. of Shares held at the beginning of the year<br>31.03.2017 |               |                |                   | No. of Shares held at the end of the year<br>31.03.2018 |               |                |                   | % Change during the year |
|--|---|---------------|----------------|-------------------|---|---------------|----------------|-------------------|--------------------------|
|  | Demat   | Physical      | Total          | % of Total Shares | Demat   | Physical      | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>  |   |               |                |                   |   |               |                |                   |                          |
| (1) Indian   |   |               |                |                   |   |               |                |                   |                          |
| (a) Individual/HUF   | 459000  | 0             | 459000         | 10.80%            | 749195  | 0             | 749195         | 17.63%            | 6.83%                    |
| (b) Central Govt   | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (c) State Govt (s)   | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (d) Bodies Corp.   | 2036012   | 0             | 2036012        | 47.91%            | 1720312   | 0             | 1720312        | 40.48%            | -7.43%                   |
| (e) Banks / FI   | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (f) Any Other....  | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| Sub-total (A1):-   | 2495012   | 0             | 2495012        | 58.71%            | 2469507   | 0             | 2469507        | 58.11%            | -0.60%                   |
| (2) Foreign  |   |               |                |                   |   |               |                |                   |                          |
| (a) NRIs - Individuals   | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (b) Other – Individuals  | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (c) Bodies Corp.   | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (d) Banks / FI   | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (e) Any Other....  | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| Sub-total (A2):-   | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| <b>Total shareholding of Promoter (A) = (A1 + A2)</b>                              | <b>2495012</b>  | <b>0</b>      | <b>2495012</b> | <b>58.71%</b>     | <b>2469507</b>  | <b>0</b>      | <b>2469507</b> | <b>58.11%</b>     | <b>-0.60%</b>            |
| <b>B. Public Shareholding</b>  |   |               |                |                   |   |               |                |                   |                          |
| 1. Institutions  |   |               |                |                   |   |               |                |                   |                          |
| (a) Mutual Funds   | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (b) Banks / FI   | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (c) Central Govt   | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (d) State Govt(s)  | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (e) Venture Capital Funds  | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (f) Insurance Companies  | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (g) FII's  | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (h) Foreign Venture Capital Funds  | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (i) Others (specify)   | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| Sub-total (B1):-   | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| 2. Non-Institutions  |   |               |                |                   |   |               |                |                   |                          |
| (a) Bodies Corp.   |   |               |                |                   |   |               |                |                   |                          |
| (i) Indian   | 1033981   | 4300          | 1038281        | 24.43%            | 1037262   | 4300          | 1041562        | 24.51%            | 0.08%                    |
| (ii) Overseas  | 0   | 0             | 0              | 0.00%             | 0   | 0             | 0              | 0.00%             | 0.00%                    |
| (b) Individuals  |   |               |                |                   |   |               |                |                   |                          |
| (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh          | 165337  | 105481        | 270818         | 6.37%             | 216640  | 103406        | 320046         | 7.53%             | 1.16%                    |
| (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 439029  | 0             | 439029         | 10.33%            | 407721  | 0             | 407721         | 9.59%             | -0.74%                   |
| (c) Others (specify)   |   |               |                |                   |   |               |                |                   |                          |
| (i) NRI/OCBs   | 3000  | 2400          | 5400           | 0.13%             | 4000  | 2400          | 6400           | 0.15%             | 0.02%                    |
| (ii) Clearing Memb/Cor   | 1460  | 0             | 1460           | 0.03%             | 4764  | 0             | 4764           | 0.11%             | 0.08%                    |
| Sub-total (B2):-   | 1642807   | 112181        | 1754988        | 41.29%            | 1670387   | 110106        | 1780493        | 41.89%            | 0.60%                    |
| <b>Total Public Shareholding (B) = (B1 + B2)</b>                                   | <b>1642807</b>  | <b>112181</b> | <b>1754988</b> | <b>41.29%</b>     | <b>1670387</b>  | <b>110106</b> | <b>1780493</b> | <b>41.89%</b>     | <b>0.60%</b>             |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs (C)</b>                         | <b>0</b>  | <b>0</b>      | <b>0</b>       | <b>0.00%</b>      | <b>0</b>  | <b>0</b>      | <b>0</b>       | <b>0.00%</b>      | <b>0.00%</b>             |
| <b>Grand Total (A+B+C)</b>   | <b>4137819</b>  | <b>112181</b> | <b>4250000</b> | <b>100%</b>       | <b>4139894</b>  | <b>110106</b> | <b>4250000</b> | <b>100%</b>       | <b>0%</b>                |

**(ii) Shareholding of Promoters**

| Sl No. | Shareholder's Name        | Shareholding at the beginning of the year<br>31.03.2017 |                                  |  | Share holding at the end of the year<br>31.03.2018 |                                  |  | % change in share holding during the year |
|--------|---------------------------|---|----------------------------------|--|--|----------------------------------|--|---|
|        |                           | No. of Shares   | % of total Shares of the Company | % of Shares Pledged / encumbered to total Shares | No. of Shares                                      | % of total Shares of the Company | % of Shares Pledged / encumbered to total Shares |   |
| 1      | Basera Abasan Pvt. Ltd.   | 234383  | 5.51%                            | 0.00%  | 0  | 0.00%                            | 0.00%  | -5.51%                                    |
| 2      | Basera Abasan LLP         | 0   | 0.00%                            | 0.00%  | 234383   | 5.51%                            | 0.00%  | 5.51%                                     |
| 3      | Kit Commercial Pvt. Ltd.  | 322700  | 7.59%                            | 0.00%  | 322700   | 7.59%                            | 0.00%  | 0.00%                                     |
| 4      | Mahant Vanijya Pvt. Ltd.  | 800429  | 18.83%                           | 0.00%  | 800429   | 18.83%                           | 0.00%  | 0.00%                                     |
| 5      | Naman Barter Pvt. Ltd.    | 172800  | 4.07%                            | 0.00%  | 172800   | 4.07%                            | 0.00%  | 0.00%                                     |
| 6      | Pragma Estates Pvt. Ltd.  | 190000  | 4.47%                            | 0.00%  | 0  | 0.00%                            | 0.00%  | -4.47%                                    |
| 7      | Pragma Estates LLP        | 0   | 0.00%                            | 0.00%  | 190000   | 4.47%                            | 0.00%  | 4.47%                                     |
| 8      | Raga Commercial Pvt. Ltd. | 315700  | 7.43%                            | 0.00%  | 0  | 0.00%                            | 0.00%  | -7.43%                                    |
| 9      | Gayatri Gupta             | 18800   | 0.44%                            | 0.00%  | 18800  | 0.44%                            | 0.00%  | 0.00%                                     |
| 10     | Krishna Kant Jha          | 76100   | 1.79%                            | 0.00%  | 51195  | 1.20%                            | 0.00%  | -0.59%                                    |
| 11     | Sanjay Kumar Gupta        | 185700  | 4.37%                            | 0.00%  | 185100   | 4.36%                            | 0.00%  | -0.01%                                    |
| 12     | Shreya Gupta              | 178400  | 4.20%                            | 0.00%  | 178400   | 4.20%                            | 0.00%  | 0.00%                                     |
| 13     | Shree Securities          | 0   | 0.00%                            | 0.00%  | 315700   | 7.43%                            | 0.00%  | 7.43%                                     |
|        | <b>TOTAL</b>              | <b>2495012</b>  | <b>58.71%</b>                    | <b>0.00%</b>                                     | <b>2469507</b>                                     | <b>58.11%</b>                    | <b>0.00%</b>                                     | <b>-0.60%</b>                             |

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

| Sl No.   | Name                                  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----------|---------------------------------------|---|----------------------------------|---|----------------------------------|
|          |                                       | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>1</b> | <b>BASERA ABASAN PRIVATE LIMITED</b>  |   |                                  |   |                                  |
|          | a) At the Beginning of the Year       | 234383                                    | 5.51%                            |   |                                  |
|          | b) Changes during the year            |   |                                  |   |                                  |
|          | Date Reason                           |   |                                  |   |                                  |
|          | 18/12/2017 Co. converted into LLP     | -234383                                   | -5.51%                           | -234383                                 | -5.51%                           |
|          | c) At the End of the Year             |   |                                  | 0                                       | 0.00%                            |
| <b>2</b> | <b>GAYATRI GUPTA</b>                  |   |                                  |   |                                  |
|          | a) At the Beginning of the Year       | 18800                                     | 0.44%                            |   |                                  |
|          | b) Changes during the year            | [NO CHANGES DURING THE YEAR]              |                                  |   |                                  |
|          | c) At the End of the Year             |   |                                  | 18800                                   | 0.44%                            |
| <b>3</b> | <b>KIT COMMERCIAL PVT LTD</b>         |   |                                  |   |                                  |
|          | a) At the Beginning of the Year       | 322700                                    | 7.59%                            |   |                                  |
|          | b) Changes during the year            | [NO CHANGES DURING THE YEAR]              |                                  |   |                                  |
|          | c) At the End of the Year             |   |                                  | 322700                                  | 7.59%                            |
| <b>4</b> | <b>KRISHNA KANT JHA</b>               |   |                                  |   |                                  |
|          | a) At the Beginning of the Year       | 76100                                     | 1.79%                            |   |                                  |
|          | b) Changes during the year            |   |                                  |   |                                  |
|          | Date Reason                           |   |                                  |   |                                  |
|          | 25/08/2017 Transfer                   | -10                                       | 0.00%                            | 76090                                   | 1.79%                            |
|          | 06/10/2017 Transfer                   | -281                                      | -0.01%                           | 75809                                   | 1.78%                            |
|          | 27/10/2017 Transfer                   | -852                                      | -0.02%                           | 74957                                   | 1.76%                            |
|          | 17/11/2017 Transfer                   | -2047                                     | -0.05%                           | 72910                                   | 1.72%                            |
|          | 24/11/2017 Transfer                   | -5545                                     | -0.13%                           | 67365                                   | 1.59%                            |
|          | 01/12/2017 Transfer                   | -3482                                     | -0.08%                           | 63883                                   | 1.50%                            |
|          | 08/12/2017 Transfer                   | -1000                                     | -0.02%                           | 62883                                   | 1.48%                            |
|          | 19/01/2018 Transfer                   | -500                                      | -0.01%                           | 62383                                   | 1.47%                            |
|          | 02/03/2018 Transfer                   | -1008                                     | -0.02%                           | 61375                                   | 1.44%                            |
|          | 23/03/2018 Transfer                   | -8680                                     | -0.20%                           | 52695                                   | 1.24%                            |
|          | 31/03/2018 Transfer                   | -1500                                     | -0.04%                           | 51195                                   | 1.20%                            |
|          | c) At the End of the Year             |   |                                  | 51195                                   | 1.20%                            |
| <b>5</b> | <b>MAHANT VANIJYA PVT LTD</b>         |   |                                  |   |                                  |
|          | a) At the Beginning of the Year       | 800429                                    | 18.83%                           |   |                                  |
|          | b) Changes during the year            | [NO CHANGES DURING THE YEAR]              |                                  |   |                                  |
|          | c) At the End of the Year             |   |                                  | 800429                                  | 18.83%                           |
| <b>6</b> | <b>NAMAN BARTER PVT LTD</b>           |   |                                  |   |                                  |
|          | a) At the Beginning of the Year       | 172800                                    | 4.07%                            |   |                                  |
|          | b) Changes during the year            | [NO CHANGES DURING THE YEAR]              |                                  |   |                                  |
|          | c) At the End of the Year             |   |                                  | 172800                                  | 4.07%                            |
| <b>7</b> | <b>PRAGMA ESTATES PRIVATE LIMITED</b> |   |                                  |   |                                  |
|          | a) At the Beginning of the Year       | 190000                                    | 4.47%                            |   |                                  |
|          | b) Changes during the year            |   |                                  |   |                                  |
|          | Date Reason                           |   |                                  |   |                                  |
|          | 18/12/2017 Co. converted into LLP     | -190000                                   | -4.47%                           | -190000                                 | -4.47%                           |
|          | c) At the End of the Year             |   |                                  | 0                                       | 0.00%                            |



| Sl No.    | Name                              | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-----------|-----------------------------------|---|----------------------------------|---|----------------------------------|
|           |                                   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>8</b>  | <b>RAGA COMMERCIAL PVT LTD</b>    |   |                                  |   |                                  |
|           | a) At the Beginning of the Year   | 315700                                    | 7.43%                            |   |                                  |
|           | b) Changes during the year        |   |                                  |   |                                  |
|           | Date Reason                       |   |                                  |   |                                  |
|           | 14.04.2017 - Transfer             | -315700                                   | -7.43%                           | 0                                       | 0.00%                            |
|           | c) At the End of the Year         |   |                                  | 0                                       | 0.00%                            |
| <b>9</b>  | <b>SANJAY KUMAR GUPTA</b>         |   |                                  |   |                                  |
|           | a) At the Beginning of the Year   | 185700                                    | 4.37%                            |   |                                  |
|           | b) Changes during the year        |   |                                  |   |                                  |
|           | Date Reason                       |   |                                  |   |                                  |
|           | 16.03.2018 - Transfer             | -600                                      | -0.01%                           | 185100                                  | 4.36%                            |
|           | c) At the End of the Year         |   |                                  | 185100                                  | 4.36%                            |
| <b>10</b> | <b>SHREYA GUPTA</b>               |   |                                  |   |                                  |
|           | a) At the Beginning of the Year   | 178400                                    | 4.20%                            |   |                                  |
|           | b) Changes during the year        | [NO CHANGES DURING THE YEAR]              |                                  |   |                                  |
|           | c) At the End of the Year         |   |                                  | 178400                                  | 4.20%                            |
| <b>11</b> | <b>BASERA ABASAN LLP</b>          |   |                                  |   |                                  |
|           | a) At the Beginning of the Year   | 0   | 0.00%                            |   |                                  |
|           | b) Changes during the year        |   |                                  |   |                                  |
|           | Date Reason                       |   |                                  |   |                                  |
|           | 18/12/2017 Co. converted into LLP | 234383                                    | 5.51%                            | 234383                                  | 5.51%                            |
|           | c) At the End of the Year         |   |                                  | 234383                                  | 5.51%                            |
| <b>12</b> | <b>PRAGMA ESTATES LLP</b>         |   |                                  |   |                                  |
|           | a) At the Beginning of the Year   | 0   | 0.00%                            |   |                                  |
|           | b) Changes during the year        |   |                                  |   |                                  |
|           | Date Reason                       |   |                                  |   |                                  |
|           | 18/12/2017 Co. converted into LLP | 190000                                    | 4.47%                            | 190000                                  | 4.47%                            |
|           | c) At the End of the Year         |   |                                  | 190000                                  | 4.47%                            |
| <b>13</b> | <b>Shree Securities</b>           |   |                                  |   |                                  |
|           | a) At the Beginning of the Year   | 0   | 0.00%                            |   |                                  |
|           | b) Changes during the year        |   |                                  |   |                                  |
|           | Date Reason                       |   |                                  |   |                                  |
|           | 16.03.2018 - Transfer             | 315700                                    | 7.43%                            | 315700                                  | 7.43%                            |
|           | c) At the End of the Year         |   |                                  | 315700                                  | 7.43%                            |
|           | <b>TOTAL</b>                      | <b>2469507</b>                            | <b>58.11%</b>                    | <b>2469507</b>                          | <b>58.11%</b>                    |

**(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 |
| <b>1</b> | <b>BRITE ASBESTOS AND ENGINEERING PRIVATE LIMITED</b> |   |                                  |   |                                  |
|          | a) At the Beginning of the Year                       | 198200                                    | 4.66%                            | 198200                                  | 4.66%                            |
|          | b) Changes during the year                            | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|          | c) At the End of the Year                             | 198200                                    | 4.66%                            | 198200                                  | 4.66%                            |
| <b>2</b> | <b>TOBOCK TRADE AND SALES PRIVATE LIMITED</b>         |   |                                  |   |                                  |
|          | a) At the Beginning of the Year                       | 191000                                    | 4.49%                            | 191000                                  | 4.49%                            |
|          | b) Changes during the year                            | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|          | c) At the End of the Year                             | 191000                                    | 4.49%                            | 191000                                  | 4.49%                            |
| <b>3</b> | <b>CRAWFORD PLANTATIONS PRIVATE LIMITED</b>           |   |                                  |   |                                  |
|          | a) At the Beginning of the Year                       | 125000                                    | 2.94%                            | 125000                                  | 2.94%                            |
|          | b) Changes during the year                            | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|          | c) At the End of the Year                             | 125000                                    | 2.94%                            | 125000                                  | 2.94%                            |
| <b>4</b> | <b>BEEKAY CHEMICALS PRIVATE LIMITED</b>               |   |                                  |   |                                  |
|          | a) At the Beginning of the Year                       | 125000                                    | 2.94%                            | 125000                                  | 2.94%                            |
|          | b) Changes during the year                            | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|          | c) At the End of the Year                             | 125000                                    | 2.94%                            | 125000                                  | 2.94%                            |
| <b>5</b> | <b>BHOWMICK MARKETING PRIVATE LIMITED</b>             |   |                                  |   |                                  |
|          | a) At the Beginning of the Year                       | 125000                                    | 2.94%                            | 125000                                  | 2.94%                            |
|          | b) Changes during the year                            | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|          | c) At the End of the Year                             | 125000                                    | 2.94%                            | 125000                                  | 2.94%                            |
| <b>6</b> | <b>DOVER TIE-UP PVT.LTD.</b>                          |   |                                  |   |                                  |
|          | a) At the Beginning of the Year                       | 125000                                    | 2.94%                            | 125000                                  | 2.94%                            |
|          | b) Changes during the year                            | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|          | c) At the End of the Year                             | 125000                                    | 2.94%                            | 125000                                  | 2.94%                            |
| <b>7</b> | <b>SIPHON MARKETING PRIVATE LIMITED</b>               |   |                                  |   |                                  |
|          | a) At the Beginning of the Year                       | 125000                                    | 2.94%                            | 125000                                  | 2.94%                            |
|          | b) Changes during the year                            | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|          | c) At the End of the Year                             | 125000                                    | 2.94%                            | 125000                                  | 2.94%                            |
| <b>8</b> | <b>HEERA SHARMA</b>                                   |   |                                  |   |                                  |
|          | a) At the Beginning of the Year                       | 61450                                     | 1.45%                            | 61450                                   | 1.45%                            |
|          | b) Changes during the year                            | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|          | c) At the End of the Year                             | 61450                                     | 1.45%                            | 61450                                   | 1.45%                            |



| Sl. No.                         | Particulars                     | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------------------------------|---------------------------------|---|----------------------------------|---|----------------------------------|
|                                 |                                 | No. of shares                             | % of total Shares of the Company | No. of shares                           | % of total Shares of the Company |
| <b>9 SANATAN SHARMA</b>         |                                 |   |                                  |   |                                  |
|                                 | a) At the Beginning of the Year | 61450                                     | 1.45%                            | 61450                                   | 1.45%                            |
|                                 | b) Changes during the year      | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|                                 | c) At the End of the Year       | 61450                                     | 1.45%                            | 61450                                   | 1.45%                            |
| <b>10 SWAROOP KUMAR SARAYAN</b> |                                 |   |                                  |   |                                  |
|                                 | a) At the Beginning of the Year | 60450                                     | 1.42%                            | 60450                                   | 1.42%                            |
|                                 | b) Changes during the year      | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|                                 | c) At the End of the Year       | 60450                                     | 1.42%                            | 60450                                   | 1.42%                            |
| <b>11 HARENDRA KUMAR TIWARI</b> |                                 |   |                                  |   |                                  |
|                                 | a) At the Beginning of the Year | 60000                                     | 1.41%                            | 60000                                   | 1.41%                            |
|                                 | b) Changes during the year      | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|                                 | c) At the End of the Year       | 60000                                     | 1.41%                            | 60000                                   | 1.41%                            |
| <b>12 SHAMBHU SHARMA</b>        |                                 |   |                                  |   |                                  |
|                                 | a) At the Beginning of the Year | 59500                                     | 1.40%                            | 59500                                   | 1.40%                            |
|                                 | b) Changes during the year      | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|                                 | c) At the End of the Year       | 59500                                     | 1.40%                            | 59500                                   | 1.40%                            |
| <b>13 SHAMBHU SHARMA HUF</b>    |                                 |   |                                  |   |                                  |
|                                 | a) At the Beginning of the Year | 59450                                     | 1.40%                            | 59450                                   | 1.40%                            |
|                                 | b) Changes during the year      | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|                                 | c) At the End of the Year       | 59450                                     | 1.40%                            | 59450                                   | 1.40%                            |
| <b>14 Manoj Gupta</b>           |                                 |   |                                  |   |                                  |
|                                 | a) At the Beginning of the Year | 0   | 0.00%                            | 0                                       | 0.00%                            |
|                                 | b) Changes during the year      | 33656                                     | 0.79%                            | 33656                                   | 0.79%                            |
|                                 | c) At the End of the Year       | 33656                                     | 0.79%                            | 33656                                   | 0.79%                            |
| <b>15 DINESH KUMAR JAIN</b>     |                                 |   |                                  |   |                                  |
|                                 | a) At the Beginning of the Year | 18739                                     | 0.44%                            | 18739                                   | 0.44%                            |
|                                 | b) Changes during the year      | <b>[NO CHANGES DURING THE YEAR]</b>       |                                  |   |                                  |
|                                 | c) At the End of the Year       | 18739                                     | 0.44%                            | 18739                                   | 0.44%                            |

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

| Sl. No.                     | Particulars                     | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-----------------------------|---------------------------------|---|----------------------------------|---|----------------------------------|
|                             |                                 | No. of shares                             | % of total Shares of the Company | No. of shares                           | % of total Shares of the Company |
| <b>1 SANJAY KUMAR GUPTA</b> |                                 |   |                                  |   |                                  |
|                             | a) At the Beginning of the Year | 185700                                    | 4.37%                            |   |                                  |
|                             | b) Changes during the year      |   |                                  |   |                                  |
|                             | Date Reason                     |   |                                  |   |                                  |
|                             | 16.03.2018 - Transfer           | -600                                      | -0.01%                           | 185100                                  | 4.36%                            |
|                             | c) At the End of the Year       |   |                                  | 185100                                  | 4.36%                            |
| <b>2 SHREYA GUPTA</b>       |                                 |   |                                  |   |                                  |
|                             | a) At the Beginning of the Year | 178400                                    | 4.20%                            |   |                                  |
|                             | b) Changes during the year      | [NO CHANGES DURING THE YEAR]              |                                  |   |                                  |
|                             | c) At the End of the Year       |   |                                  | 178400                                  | 4.20%                            |
|                             | Total                           | 363500                                    | 8.55%                            | 363500                                  | 8.55%                            |

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

| Particulars   | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year |                                  |                 |          |                    |
| i) Principal Amount                                 | 19945051                         | 66285170        | 0        | 86230221           |
| ii) Interest due but not paid                       | 0                                | 0               | 0        | 0                  |
| iii) Interest accrued but not due                   | 0                                | 5986391         | 0        | 5986391            |
| Total (i+ii+iii)                                    | 19945051                         | 72271561        | 0        | 92216612           |
| Change in Indebtedness during the financial year    |                                  |                 |          |                    |
| • Addition  | 132324609                        | 153627423       | 0        | 285952032          |
| • Reduction   | 148471020                        | 207799219       | 0        | 356270239          |
| Net Change  | -16146411                        | -54171796       | 0        | -70318207          |
| Indebtedness at the end of the financial year       |                                  |                 |          |                    |
| i) Principal Amount                                 | 3798640                          | 12113374        | 0        | 15912014           |
| ii) Interest due but not paid                       | 0                                | 0               | 0        | 0                  |
| iii) Interest accrued but not due                   | 0                                | 1408833         | 0        | 1408833            |
| Total (i+ii+iii)                                    | 3798640                          | 13522207        | 0        | 17320847           |

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

| Sl. No. | Particulars of Remuneration  | Name of WTD<br>Mr. Sanjay Kumar Gupta                    | Total Amount      |
|---------|--|--|-------------------|
| 1       | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961<br>(c) Profits in lieu of salary under | 1500000<br>0<br>0  | 1500000<br>0<br>0 |
| 2       | Stock Option   | 0  | 0                 |
| 3       | Sweat Equity   | 0  | 0                 |
| 4       | . Commission<br>- as % of profit<br>- others, specify...   | 0<br>0   | 0<br>0            |
| 5       | Others, please specify   | 0  | 0                 |
|         | Total (A)  | 1500000  | 1500000           |
|         | Ceiling as per the Act   | Approved as per Sec. 196, 197 & 198 in AGM of 26.09.2017 |                   |

**B. Remuneration to other directors:**

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





**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD**

| Sl. No. | Particulars of Remuneration  | Key Managerial Personnel |                    | Total Amount     |
|---------|--|--------------------------|--------------------|------------------|
|         |  | CFO                      | Company Secretary  |                  |
|         |  | Ms. Raveena Goel         | Ms. Parul Rajgaria |                  |
| 1       | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961<br>(c) Profits in lieu of salary under | 161000<br>0<br>0         | 675000<br>0<br>0   | 836000<br>0<br>0 |
| 2       | Stock Option   | 0                        | 0                  | 0                |
| 3       | Sweat Equity   | 0                        | 0                  | 0                |
| 4       | . Commission<br>- as % of profit<br>- others, specify...   | 0<br>0                   | 0<br>0             | 0<br>0           |
| 5       | Others, please specify   | 0                        | 0                  | 0                |
|         | Total (A)  | 161000                   | 675000             | 836000           |

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

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**



**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> DAY OF MARCH, 2018  
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]**

**To,  
The Members,  
Paragon Finance Limited  
CIN: L65921WB1986PLC040980**

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

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of **Secretarial Audit**, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended **31<sup>st</sup> March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31<sup>st</sup> March, 2018** according to the provisions of:

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



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

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

**We further report that:**

The Board of Directors of the Company **is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as also represented by the management.

**We further report that** during the period under review Ms. Parul Rajgaria has been appointed as the Chief Financial Officer of the Company w.e.f. 26.09.2017.

**Place: Kolkata**  
**Date: 25.05.2018**

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



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **ECONOMIC OVERVIEW**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

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

### **INDUSTRY OVERVIEW**

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

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

### **FINANCIAL PERFORMANCE**

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

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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



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

The Audit Committee of the Company consisting of Non-Executive Independent Directors, periodically reviews and recommends the financial statements of the Company. The Audit Committee also monitors the implemented suggestions.

### **RISK MANAGEMENT**

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

### **HUMAN RESOURCES**

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

To foster a positive workplace environment, free from harassment of any nature, the Company has framed a policy for Prevention of Sexual Harassment at Workplace and reviews the same periodically.

### **CAUTIONARY STATEMENT**

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

Place: Kolkata

For and behalf of the Board Directors  
**Sanjay Kumar Gupta**  
Executive Director  
DIN-00213467



**INDEPENDENT AUDITOR'S REPORT**

To The Members of  
**PARAGON FINANCE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Paragon Finance Limited** (“the Company”), which comprise the Balance Sheet as at **31st March, 2018**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



**Other Matter**

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. In the case of the Balance Sheet, of the state of affairs of the Company as at **31st March, 2018**
2. In the case of the Profit and Loss Account, of the **PROFIT** for the year ended on that date; and
3. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act [hereinafter referred to as the Order], we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in Annexure 'B'.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigation and its impact on financial position in the financial statement as referred to in Note No. 1.B.8 of the Financial Statements.
    - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.

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

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

**[CA. APURVA MAHESWARI]**  
**Partner**  
**Membership No. 304538**



**ANNEXURE – A TO AUDITORS’ REPORT**

**The Annexure referred to in paragraph 1 of Our Report of even date to the members of Paragon Finance Limited on the accounts of the company for the year ended March 31, 2018.**

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
  
b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of company and the nature of its assets. No materials discrepancies were noticed on such verification.  
  
c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Title Deeds of Immovable properties are held in the name of the Company.
2. According to the information and explanations given to us The Company does not have any Inventory. Therefore, the provisions of Clause (ii) of paragraph 3 of the CARO 2016 are not applicable to the Company.
3. In respect of the loans, secured or unsecured, granted by the Company to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained pursuant to provision of section 189 of the Companies Act, 2013-  
  
b) The Terms and Conditions of the loans granted are not prejudicial to the interest of the Company.  
  
c) In our opinion and according to the information and explanations given to us, the receipt of the Principal amount and interest are regular.  
  
d) In respect of the said loans and interest thereon, there are no overdue amounts.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of Loans, Investments, Guarantees and Security.
5. According to the information and explanations given to us, the Company has not accepted any deposit from the public and hence the directives issued by the Reserve Bank of India and the provisions of section 73, 74, 75 & 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. Therefore, Clause 3(v) of the CARO 2016 are not applicable to the Company.
6. The Central Government of India has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the products of the company.
7. a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respects of the aforesaid dues were outstanding, as at 31st March, 2018 for a period of more than six months from the date they became payable.  
  
b) Details of dues of Income Tax, Sales Tax, duty of Custom, Wealth Tax, Service Tax, duty of Excise, Value Added Tax and Cess, which have not been deposited as on 31st March, 2018 on account of dispute are given below :





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

8. According to the records of the company examined by us and the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
9. The company has not raised any money by way of initial public offer or further public offer and Term Loan have been applied for the purposes for which they were raised.
10. In our opinion and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanation given to us and based on our examination of the records of the Company, the Managerial Remuneration paid by the Company has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. According to the audit procedure performed and the information and explanations given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the order are not applicable to the Company.
16. According to the audit procedures performed and the information and explanation given to us by the management, the company is registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Kolkata

Dated: The 25th day of May, 2018

[CA. APURVA MAHESWARI]  
**Partner**  
**Membership No. 304538**



**ANNEXURE – B TO AUDITORS’ REPORT**

**Report on the Internal Financial Controls under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Paragon Finance Limited (“the Company”) as of **31st March, 2018** in conjunction with our audit of financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants Of India.

**For, AGARWAL MAHESWARI & CO.**

**Chartered Accountants**

**Firm Reg. No. : 314030E**

Place: Kolkata

Dated: The 25th day of May, 2018

**[CA. APURVA MAHESWARI]**

**Partner**

**Membership No. 304538**

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

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

**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, **AGARWAL MAHESWARI & CO.**  
Chartered Accountants

For and on behalf of the Board

[CA APURVA MAHESWARI]

Partner

FRN: 314030E, M. NO: 304538

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

Dated : The 25th day of May, 2018

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

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

In terms of our report on even date

**For, AGARWAL MAHESWARI & CO.**  
Chartered Accountants

**For and on behalf of the Board**

**[CA. APURVA MAHESWARI]**

Partner

FRN: 314030E, M. NO: 304538

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

Dated : The 25th day of May, 2018

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

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

In terms of our report on even date

**For, AGARWAL MAHESWARI & CO.**  
Chartered Accountants

**For and on behalf of the Board**

**[CA APURVA MAHESWARI]**  
Partner

**FRN: 314030E, M. NO: 304538**

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

Dated : The 25th day of May, 2018



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

**NOTE - 1 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**(A) SIGNIFICANT ACCOUNTING POLICIES**

**(1) Nature of Operation**

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

**(2) Basis of Preparation**

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

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

**(3) Property, Plant and Equipments and Depreciation**

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

Depreciation on Property, Plant and Equipments are provided to the extent of depreciable amount on the Written down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in schedule II to the Companies Act,

**(4) Revenue Recognition**

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

In accordance with these prudent accounting policies, all contracts with 365 days past dues treated as Doubtfull assets and as per prudential Norms of Reserve Bank of India, required provision has been made.



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

**IV. Prudential Norms**

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

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

**(5) Expenses**

All the expenses have been accounted for on accrual basis.

**(6) Investment Valuation**

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

**(7) Income Tax**

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

**(8) Gratuity**

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





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

**(B) NOTES TO THE ACCOUNTS**

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

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

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

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

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

a) Key Management Personnel

Mr.Sanjay Kumar Gupta - Whole Time Director  
Mr. Alope Kumar Gupta - Director  
Mrs Shreya Gupta - Director  
Ms Parul Rajgaria - Director cum Company Secretary & CFO

b) Relative of Key Management Personnel

Gayatri Gupta - Mother of Director

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

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

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

(₹)

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

Note: Figures in Italic are those for previous year

**(4) Deferred Tax Assets**

In terms of Accounting Standard 22, issued by the Institute of Chartered Accountants of India, For the Current Year, there is a net Deferred Tax Assets of ₹ 2,55,379/-. The Deferred Tax Assets as on 31st March, 2018 was ₹ 9,35,644/- due to Timing Difference in depreciable assets.

**(5) Business Segments**

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

**(6) Earning Per Share:**

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

| Particulars            | Units | Year Ended on 31.03.2018 | Year Ended on 31.03.2017 |
|------------------------|-------|--------------------------|--------------------------|
| Total No. of Shares    | Nos.  | 42,50,000                | 42,50,000                |
| Profit(Loss) After Tax | ₹     | 2,07,31,135              | 1,76,73,102              |
| Earning Per Share      | ₹     | 4.88                     | 4.16                     |



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

- (7) The Reserve Bank of India (RBI) vide its Notification No. DNBS. 223/CGM(US) – 2011 dated 17th January, 2011 has issued directions to all NBFCs to make provision of 0.25% against Standard Assets with immediate effect. Accordingly, the Company has reversed provision of ` 41,996/- during the year against Standard Assets which has been credited to Profit & Loss Account.
- (8) **Contingent Liabilities :** **NIL**
- (i) A Search & Seizure operation was conducted by the Service Tax Department on 19.07.2006 and subsequently the Service Tax Commissionerate raised a demand of Service Tax including Education Cess amounting to ` 26,81,414/- vide their order dated 31.03.2009. In respect of the said demand, the Company has obtained legal opinion and accordingly an appeal before the Appropriate Authority is preferred. Consequently no provision has been made in the Accounts.
- (ii) The company has received a demand order from the Income Tax Department of ` 12.5 Lakhs for the Assessment Year 2013-14 for which the case is pending before CIT (Appeals) – 21/Kolkata.
- (iii) The company has received a demand order from the Income Tax Department of ` 6.15 Lakhs for the Assessment Year 2014-15 for which the case is pending before CIT (Appeals) – 21/Kolkata.
- (9) Expenditure in Foreign Currency for Directors' Foreign Travelling Expenses - NIL
- (10) Previous year figures have been regrouped and re-arranged, wherever necessary, to confirm to the current year's classification.

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

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

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

| <u>Particulars</u>                             | <u>Opening Balance</u> | <u>Fresh Issue</u> | <u>Closing Balance</u> |
|--|------------------------|--------------------|------------------------|
| <b><u>Equity shares with voting rights</u></b> |                        |                    |                        |
| <u>Year ended 31st March, 2018</u>             |                        |                    |                        |
| - Number of Shares                             | 42,50,000              | 0                  | 42,50,000              |
| - Amount (₹)                                   | 4,25,00,000            | 0                  | 4,25,00,000            |
| <u>Year ended 31st March, 2017</u>             |                        |                    |                        |
| - Number of Shares                             | 42,50,000              | 0                  | 42,50,000              |
| - Amount (₹)                                   | 4,25,00,000            | 0                  | 4,25,00,000            |

**(c) Terms/Rights attached to Equity shares:**

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

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

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

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

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

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

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

**Note - 5 : Long-Term Provisions**

|   |                 |                 |
|---|-----------------|-----------------|
| <b>(a) Contingent Provision against Standard Assets</b> |                 |                 |
| [ As per RBI Directions dated 17.01.2011]               | 1,48,168        | 1,67,153        |
| <b>Total</b>  | <b>1,48,168</b> | <b>1,67,153</b> |

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

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

**Note - 6 : Short-Term Borrowings**

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

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

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

**Note - 7 : Other Current Liabilities**

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

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

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

**Note - 8 : Short-Term Provisions**

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



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

**Note - 9 : Fixed Assets**

(C)

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

**Notes forming part of the financial statements for the year ended 31st March, 2018.****Note - 10 : Non - Current Investments**

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





**PARAGON FINANCE LIMITED (CIN) L65921WB1986PLC040980**

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

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

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

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

**Note - 17 : Other Income**

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

**Note - 17.1 : Other Non-Operating Income Comprises:**

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

**Note - 18 : Employee Benefits Expense**

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

**Note - 19 : Finance Costs**

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

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

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

**Note - 20.1 : Payment to Auditors Comprises:**

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

In terms of our report on even date

**For, AGARWAL MAHESWARI & CO.**  
Chartered Accountants

**For and on behalf of the Board**

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

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

Dated : The 25th day of May, 2018





|  |                |        |
|--|----------------|--------|
| <b>(4) Break - up of Investments :</b> |                |        |
| Current Investments :                  |                |        |
| 1. Quoted :                            |                |        |
| (i) Shares :                           | (a) Equity     | NIL    |
|  | (b) Preference | NIL    |
| (ii) Debentures and Bonds              |                | NIL    |
| (iii) Units of Mutual funds            |                | NIL    |
| (iv) Government Securities             |                | NIL    |
| (v) Others ( Please Specify)           |                | NIL    |
| 2. Unquoted :                          |                |        |
| (i) Shares :                           | (a) Equity     | NIL    |
|  | (b) Preference | NIL    |
| (ii) Debentures and Bonds              |                | NIL    |
| (iii) Units of Mutual funds            |                | NIL    |
| (iv) Government Securities             |                | NIL    |
| (v) Others (Please Specify)            |                | NIL    |
| Long Term Investment :                 |                |        |
| 1. Quoted :                            |                |        |
| (i) Shares :                           | (a) Equity     | 450.38 |
|  | (b) Preference | NIL    |
| (ii) Debentures and Bonds              |                | NIL    |
| (iii) Units of Mutual funds            |                | 0.00   |
| (iv) Government Securities             |                | NIL    |
| (v) Others ( Please Specify)           |                | NIL    |
| 2. Unquoted :                          |                |        |
| (i) Shares :                           | (a) Equity     | NIL    |
|  | (b) Preference | NIL    |
| (ii) Debentures and Bonds              |                | NIL    |
| (iii) Units of Mutual funds            |                | NIL    |
| (iv) Government Securities             |                | NIL    |
| (v) Others (Please Specify)            |                | NIL    |

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

Please see Note 2 below

| Category                        | Amount net of provisions |               |                 |
|---------------------------------|--------------------------|---------------|-----------------|
|                                 | Secured                  | Unsecured     | Total           |
| 1. Related Parties **           |                          |               |                 |
| (a) Subsidiaries                | NIL                      | NIL           | NIL             |
| (b) Companies in the same group | NIL                      | 43.82         | 43.82           |
| (c) Other related parties       | NIL                      | NIL           | NIL             |
| 2. Other than related parties   | 1,440.50                 | 195.71        | 1,636.21        |
| <b>Total</b>                    | <b>1,440.50</b>          | <b>239.53</b> | <b>1,680.03</b> |



**(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**  
Please see note 3 below

| Category                        | Market Value / Break up or fair value or NAV | Book Value ( Net of Provisions ) |
|---------------------------------|--|----------------------------------|
| 1. Related Parties **           |  |                                  |
| (a) Subsidiaries                | NIL  | NIL                              |
| (b) Companies in the same group | NIL  | NIL                              |
| (c) Other related parties       | NIL  | NIL                              |
| 2. Other than related parties   | 555.60                                       | 450.38                           |
| <b>Total</b>                    | <b>555.60</b>                                | <b>450.38</b>                    |

**(7) Other Information**

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

IN TERMS OF OUR REPORT OF EVEN DATE

**FOR AND ON BEHALF OF THE BOARD**

**FOR, AGARWAL MAHESWARI & CO.**  
**Chartered Accountants**

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

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

Dated : The 25th day of May, 2018

Notes :

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

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



**NOTICE**

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Members of the Company will be held at its Registered Office at "Sikkim House" 4/1, Middleton Street, 4th Floor, Kolkata – 700071 on Friday, the 28<sup>th</sup> day of September, 2018 at 10.00 A.M. to transact the following business:

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**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2018 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Shreya Gupta [DIN – 00333208] who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and such other necessary approval(s), consent(s) or permission(s), as may be required, the consent of the Members of the Company be and is hereby accorded to pay the remuneration as set out in the statement annexed hereto, to Mr. Sanjay Kumar Gupta (DIN: 00213467), Whole-time Director of the Company, for the financial year in absence of adequate profits, during the period commencing from April 1, 2018 till the expiry of his term."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and such other necessary approval(s), consent(s) or permission(s), as may be required, the consent of the Members of the Company be and is hereby accorded to pay the remuneration as set out in the statement annexed hereto, to Mr. Alope Kumar Gupta (DIN: 00825331), Director of the Company, for the financial year in absence of adequate profits, during the period commencing from April 1, 2018 for the period of 3 years or till the date of his retirement caused by rotation, whichever is earlier."

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

By and on behalf of the Board

Parul Rajgaria

Company Secretary

Date – 14.08.2018

Place - Kolkata





**NOTES:**

1. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made hereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their e-mail address either with the Company or with the Depository. Accordingly, the Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those shareholders whose e-mail addresses are registered with the Company/Depositories, unless any shareholder has requested for a physical copy of the same. For shareholders who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
2. Members may also note that the Notice of the 32<sup>nd</sup> Annual General Meeting and the Annual report for FY 17-18 will also be available on the Company's website i.e. [www.paragonfinanceltd.com](http://www.paragonfinanceltd.com).

**3. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY.**

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

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

4. Brief resume of the Director who is proposed to be re-appointed, nature of her expertise in specific functional areas, names of companies in which she hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed in this notice.
5. Pursuant to Section 91 of the Companies Act, 2013, Register of shareholders and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September, 2018 to 28<sup>th</sup> September 2018, both days inclusive, for the purpose of the Annual General Meeting.
6. To support the 'Green Initiative', the Members who have not registered their e-mail addresses (as per Section 88 of the Companies Act 2013) are requested to register the same with Depositories.



## **7. Voting through electronic means:**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on **25<sup>th</sup> September, 2018 (9:00 am)** and ends on **27<sup>th</sup> September, 2018 (5:00 pm)**. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **21<sup>st</sup> September, 2018**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

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

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

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

**Details on Step 1 is mentioned below:**

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

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

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



to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| <b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b> | <b>Your User ID is:</b>   |
|---|---|
| a) For Members who hold shares in demat account with NSDL.            | 8 Character DP ID followed by 8 Digit Client ID<br><br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL.            | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****   |
| c) For Members holding shares in Physical Form.                       | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***   |

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.



- (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN,your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

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

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



**General Guidelines for shareholders**

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

- IV. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21<sup>st</sup> September, 2018. A person who is not a member as on cutoff date should treat this notice for information purpose only.
- V. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21<sup>st</sup> September, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- VI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off of 21<sup>st</sup> September, 2018, date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VIII. Mr. Shibnath Bhattacharya, Advocate, of 6, Old Post Office Street, Ground Floor, Room No: 29B (2), Kolkata- 700001 has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot



Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - XI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.paragonfinanceltd.com](http://www.paragonfinanceltd.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchange BSE Limited, where the shares of the company are listed.
8. Since e-voting facility (including Ballot Forms) is provided to the Members pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, voting by show of hands are not allowed.

By and on behalf of the Board  
Parul Rajgaria  
Company Secretary  
Date – 14.08.2018  
Place - Kolkata



**Statement**

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

As required by section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 3 to 4 of the accompanying Notice:

**Item No. 3 & 4**

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

The remuneration paid during the financial year 2017-18 in accordance with the terms of appointment of the above Directors is in excess of the limits prescribed under Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto, due to absence of profits during the said financial year.

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

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

The Nomination & Remuneration Committee and Board of Directors of the Company at their meeting held on 14<sup>th</sup> August, 2018, have approved/ratified remuneration paid to the Directors for the financial year 2017-18 which is in excess of the limits prescribed under Schedule V of the Companies Act, 2013 in view of the absence of profits in the financial year 2017-18 and Rs.30,00,000/-p.a. as Basic Salary to Mr. Sanjay Kumar Gupta and Rs.24,00,000/-p.a. to Mr. Alope Kumar Gupta as minimum remuneration in case Company has no profits or the profits of the Company are inadequate during any financial years during their tenure as the Director, subject to the approval of the shareholders by way of Special Resolution at this general meeting.

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

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

The Board recommends the resolution for your approval.



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

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

**I. GENERAL INFORMATION:**

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

**II. INFORMATION ABOUT THE APPOINTEES:**

| No. | Particulars                     | Sanjay Kumar Gupta  | Alope Kumar Gupta   |
|-----|---------------------------------|---|---|
| 1   | Background Details              | He has passion is the study of management systems and the art of minimising risk in normal business transactions. He is also a portfolio manager of rare distinction and has the ability of not only understanding market trends but to create wealth from them.  | He is a grass-root financier. He is extremely well connected in the world of business and has a wealth of practical experience in risk assessments.   |
| 2   | Past Remuneration               | Rs.15,00,000/- per annum  | Rs.15,00,000/- per annum  |
| 3   | Recognition or Awards           | None  | None  |
| 4   | Job profile and his suitability | As an Executive Director of the Company he is responsible for the management of the Company, subject to the superintendence, guidance and control of the Board of Directors. Taking into account his previous experience, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person as the Whole-time Director of the Company. | He will be responsible for the operational matters of Ranchi Branch of the Company in the ordinary course of business. Considering the above and having regard to his age, qualifications, ability, experience and looking to the business requirement. |
| 5   | Remuneration Proposed           | Rs.30,00,000/- per annum  | Rs.24,00,000/- per annum  |





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

**III. OTHER INFORMATION:**

**(a) Reasons for loss or inadequate profits**

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

**(b) Steps taken or proposed to be taken for improvement**

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

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

**(c) Expected increase in productivity and profit in measurable terms :**

The management continues to be optimistic towards the external economic environment and expects consumer demand to become more consistent and robust in the current financial year. Further, various policy decisions taken would act as growth channel for the Company which would contribute in increased revenues and higher margins.

Date: 14.08.2018

Place: Kolkata

By and on behalf of the Board

Parul Rajgaria

Director & Company Secretary



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



**PARAGON FINANCE LIMITED**

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

**CIN :- L65921WB1986PLC040980**

**Phone No. - 033-40612288**

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

**ATTENDANCE SLIP**

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

**(Annual General Meeting-28th September, 2018)**

I/We hereby record my/our presence at the 32nd Annual General Meeting of "Paragon Finance Ltd" to be held at 4/1, Middleton Street, Sikkim House, 4th Floor, Kolkata - 700071 on Friday, 28th Day of September, 2018 at 10:00 A.M.

Full Name of the member (IN BLOCK LETTER): .....

Folio No: ..... DP ID : ..... Client ID: .....

Full Name of the proxy (IN BLOCK LETTER): .....

Member/Proxy(s) Signature: .....

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

**Form No. MGT-11**

**PROXY FORM**

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the members of the company to be held on Friday, 28th Day of September, 2018 at 10:00 A.M at 4/1, Middleton Street, Sikkim House, 4th Floor, Kolkata-700071 and at any adjournment thereof in respect of such resolutions as are indicated below :

Table with 4 columns: Resolution No., Resolution, and two columns under Optional (For, Against). Rows include Ordinary Business (Adoption of Financial Statements, re-appoint Mrs. Shreya Gupta) and Special Resolution (Fixation of Remuneration of Mr. Sanjay Kumar Gupta, Mr. Alope Kumar Gupta).

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

Signature of the Shareholder

Signature of the Proxy Holder



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