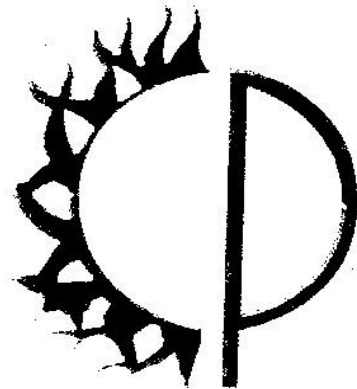


# **ANNUAL REPORT**

**2021-2022**



**PARAGON FINANCE  
LIMITED**



# **PARAGON FINANCE LIMITED**

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

**CIN :- L65921WB1986PLC040980**

**Phone No. - 033-40612288**

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

## **Corporate Information**

### **BOARD OF DIRECTORS :**

Mr. Sanjay Kumar Gupta	Executive Director & Company Secretary
Mr. Alope Kumar Gupta	Chief Financial officer
Mrs. Shreya Gupta	Non-Executive Director
Mrs. Anny Jain	Independent Director
Mr. Suvabrato Ganguly	Independent Director
Mr. Sanjay Goenka	Independent Director
Mr. Ravi Agarwalla	Independent Director

### **AUDITORS :**

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

### **Registrar & Share Transfer Agent :**

Niche Technologies Pvt. Ltd.  
3A, Auckland Place, Room No.  
7A and 7B, 7th Floor,  
Kolkata - 700 017.

### **CONTENTS :**

1	Notice	
2	Directors' Report	1
3	Secretarial Audit Report	10
4	Management Discussion & Analysis Report	12
5	Auditors' Report	15
6	Balance Sheet	29
7	Profit & Loss Account	30
8	Cash Flow Statement	31
9	Notes on Accounts	32
10	NBFC Report	81

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

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

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

## NOTICE

NOTICE is hereby given that the Thirty-Sixth Annual General Meeting of the Members of the Company will be held at its Registered Office at "Sikkim House" 4/1, Middleton Street, 4th Floor, Kolkata – 700071 on Wednesday, the 10th day of August, 2022 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, 2022 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 herself for re-appointment.
3. To appoint M/s. Mandawewala & Co., Chartered Accountants, Kolkata as Statutory Auditor of the Company to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the 36th Annual General Meeting of the Company until the conclusion of the 41st Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

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

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment or enactment thereof, for the time being in force), M/s. Mandawewala & Co., Chartered Accountants, Kolkata (Firm Registration No.: 322130E) be and are hereby appointed as the Statutory Auditor of the Company in place of M/s. Agarwal Maheswari & Co., Chartered Accountants (Firm’s Registration No. 314030E), the retiring statutory auditor, to hold the office from the conclusion of the 36th Annual General Meeting until the conclusion of the 41st Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

By and on behalf of the Board

Sd/-

**ALOKE KUMAR GUPTA**  
**DIRECTOR**

Date - 15.07.2022

Place - Kolkata



**NOTES:**

1. In accordance to the MCA and SEBI Circulars, owing to the difficulties involved in dispatching of the physical copies of Annual Report including the Notice of the Annual General meeting and Financial Statements including Directors Report and Auditors Report and the annexures thereon are being sent to the members in electronic mode whose email address registered with the Company or the Depository participant, Further, in line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.paragonfinanceltd.com](http://www.paragonfinanceltd.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

Therefore, we request the Members who have not registered or updated their e-mail addresses so far to register/update their e-mail address with their Depository Participants (DP). Members holding shares in physical mode can then download E-Communication Registration Form from our company's website fill up the same and send to the Registrar and Share Transfer Agent (RTA) on given address or Email- [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com). All the communication i.e. Annual Report, Notices and other documents shall be sent to all registered shareholders in electronic form. Please note that these documents shall also be available at the Company's website [www.paragonfinanceltd.com](http://www.paragonfinanceltd.com) for downloading. However, Members who are desirous of obtaining hard copy of the Notice, Annual Reports and other documents may forward their written request to the Company/RTA for the same.

2. **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.

3. Brief resume of the Director who is proposed to be re-appointed, nature of his expertise in specific functional areas, names of companies in which he holds 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.



4. In case, members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the Meetings and that the information can be made available at the time of the Meeting.
5. The shares of the Company are compulsorily traded in demat. The shareholders who have not dematerialised their shares are requested to opt for de-materialisation of their shareholding by opening DP account with nearest Depository Participant at the earliest, which will facilitate smooth purchase / sale of shares of the Company.
6. Pursuant to Section 91 of the Companies Act, 2013, Register of shareholders and Share Transfer Books of the Company will remain closed from 4th August, 2022 to 10 August, 2022, both days inclusive, for the purpose of the Annual General Meeting.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN and Bank Account details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details and Bank Account Details to the Company or RTA.
8. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e. Electric/ Telephone Bill, Driving License or a copy of the Passport and bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are in de-materialised form, this information should be passed on directly to their respective Depository Participants and not to the Company/ RTA.
9. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to an Individual Member. Members holding shares in physical form may utilize the nomination facility available by sending prescribed Form SH. 13 duly filled to our Registrars and Share Transfer Agents Viz. Niche Technology Pvt Ltd, 3A, Auckland Place, Room No. 7A and 7B, 7th Floor, Kolkata – 700 017. Members holding shares in de-materialised form has to send their “nomination” request to the respective Depository Participants.
10. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in de-materialised form with effect from 1st April, 2019. In view of the above, members are advised to de-materialise shares held by them in physical form.
11. This AGM Notice is being sent by e-mail only to those eligible Members who have already registered their e-mail address with the Depositories/the DP/the Company’s RTA/ the Company or who will register their e-mail address with the Company on or before Saturday on July 16,2022.



**12. Voting through electronic means:**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services.

The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The 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 3rd August, 2022. A person who is not a member as on cut-off 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 1<sup>st</sup> July, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](mailto: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 3rd August, 2022, date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.



- VIII. CA Mayur Agrawal, of 4, Ganesh Chandra Avenue, 7<sup>th</sup> Floor, Kolkata – 700013 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 counter sign 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.
- XII. 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.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**The remote e-voting period begins on 7th August, 2022 at 9:00 A.M. and ends on 9th August, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e 3rd August 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 3rd August 2022.**

**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: Access to NSDL e-Voting system**







**A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"><li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDEAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li></ol>
	<ol style="list-style-type: none"><li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDEAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to eVoting website of NSDL for casting your vote during the remote e-Voting period.</li></ol>



	<p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> App Store  Google Play</p> <p> </p>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"><li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li><li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li><li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistr">https://web.cdslindia.com/myeasi/Registration/EasiRegistr</a></li></ol>
	<p><a href="#">ation</a></p> <ol style="list-style-type: none"><li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li></ol>



Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**



**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 ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



5. Password details for shareholders other than Individual shareholders 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 to 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
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 etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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.



10. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
11. Now, you will have to click on “Login” button.
12. After you click on the “Login” button, Home page of e-Voting will open.



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

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

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period Now you are ready for e-Voting as the Voting page opens.
3. 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.
4. Upon confirmation, the message “Vote cast successfully” will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. 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 [mayur@alpassociates.in](mailto:mayur@alpassociates.in) 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 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories/ company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**



PARAGON FINANCE LIMITED (CIN) L65921WB1986PLC040980

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to [paragoncal@gmail.com](mailto:paragoncal@gmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) to [paragoncal@gmail.com](mailto:paragoncal@gmail.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

By and on behalf of the Board

Sd/-

**ALOKE KUMAR GUPTA**  
**DIRECTOR**

Date 15.07.2022

Place - Kolkata



**Additional Information on Director recommended for appointment/ re-appointment at the 36th Annual General Meeting as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meeting.**

Name of Director	Mrs. Shreya Gupta
Date of Birth	13.06.1973
Date of Appointment	07.08.2014
Expertise in specific functional areas	Wide experience in the field of Financial Management.
Qualifications	Commerce Graduate, having more than 20 years of experience in all financial areas.
Directorship held in other Companies	1. Olympia Credits & Mercantile Private Limited 2. Mahant Vanijya Pvt. Ltd.
Membership/Chairmanship of Committees of other Public Companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committee)	NIL
Shareholding in the Company	8.74%



**DIRECTORS' REPORT**

**To the Members of Paragon Finance Limited**

Dear Members,

The Board of Directors hereby presents the 36<sup>th</sup> Annual Report on the business and operations of your Company for the year ended 31st March, 2022.

**FINANCIAL RESULTS**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Total Income	305.39	311.24
Gross Profit	305.39	311.24
Less: Interest	2.35	5.91
Less: other expenses	191.57	229.43
Cash profit	111.47	75.90
Less: Depreciation	8.53	5.59
Less: Other non cash expenses	14.20	34.29
Profit/loss before tax	88.73	36.01
Less: Prov for tax	16.22	6.94
Less: Transfer from prov. For deferred tax	4.58	1.62
Add: Tax of earlier Year	0.01	2.20
Profit after tax	67.94	29.66
Add: Other comprehensive Income	43.59	88.39
Total Comprehensive Income	111.53	118.05
Add: Profit b/f	1553.96	1441.84
Profit available for appropriation	1621.90	1471.50
Less: Transfer to statutory reserves	13.59	5.93
Add: Fair Value Gain through OCI	49.01	101.80
Less: Tax Impact of Fair Value Gain through OCI	5.42	13.41
Balance credited to balance sheet	1651.89	1553.96
Reserve excl. revaluation reserve	627.22	613.64

**DIVIDEND**

The Board has not recommended any dividend for the year.

**STATE OF THE COMPANY'S AFFAIRS**

The Income from Operation for the financial year 2021-22 was Rs. 266.39 Lakhs. The Shareholders Funds as on 31.03.2022 were Rs. 2704.12 Lakhs reflecting the inherent financial strength of the Company. The return (Net Profit After Tax) on net worth of the Company in FY 21-22 was 2.51% as compared to FY 20-21 1.14%.



The Financial Statements of your Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Indian Accounting Standards (IND AS) and the relevant provisions of the Companies Act, 2013 and rules made therein, as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

#### **RESERVE BANK OF INDIA (RBI) CLASSIFICATION**

The Reserve Bank of India (RBI) has classified your Company as an 'Asset Finance Company' within the overall classification of 'Non Banking Financial Institution'. However, pursuant to RBI circular on harmonization of different categories of NBFCs dated February 22, 2019, your Company is proposed to be classified as an 'NBFC - Investment and Credit Company (NBFCICC)'.

#### **PROMOTERS' GROUP SHAREHOLDING**

As on March 31, 2022, the total shareholding of the Promoters' Group of your Company is 69.725 per cent and none of the Promoter/Promoters' Group shareholding is under pledge. Further, in compliance with Regulation 31(2) of SEBI Listing Regulations, 2015, the entire shareholding of promoter(s) and promoter group is in dematerialized form.

#### **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 statement relates and the date of this report.

#### **EXTRACT OF ANNUAL RETURN**

In terms of the Companies Act, 2013 as amended, the Annual Return is available on <https://www.paragonfinanceltd.com/fstatements.htm>

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

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

#### **DETAILS OF BOARD MEETINGS**

During the year, 9 (Nine) number of Board meetings were held as on 14.04.21, 30.06.21, 13.08.21, 04.09.21, 30.09.21, 12.11.21, 07.12.21, 31.01.22 and 05.03.22 details of which are given below:



<b>Name of Directors</b>	<b>No. of meeting attended</b>
Mr. Sanjay Kumar Gupta	9
Mr. Alope Kumar Gupta	5
Mrs. Shreya Gupta	8
Mr. Suvobrata Ganguly	7
Mr. Ravi Agarwalla	3
Mr. Sanjay Goenka	3
Mrs. Anny Jain	8

### **COMMITTEES OF BOARD**

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

#### **a. Audit Committee**

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

During the year, the Committee had met on 14.04.2021, 30.06.2021, 12.11.2021 and 31.01.2022.

#### **Vigil mechanism**

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

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



**b. Nomination & Remuneration Committee**

Sl. No.	Name	Chairman/ Members
1	Mrs. Anny Jain	Chairman
2	Mr. Sanjay Goenka	Member
3	Mrs. Shreya Gupta	Member

During the year, the Committee had met on 04.09.2021.

**c. Stakeholders Relationship Committee**

Sl. No.	Name	Chairman/ Members
1	Mrs. Anny Jain	Chairman
2	Mrs. Shreya Gupta	Member
3	Mr. Alope Kumar Gupta	Member

During the year, the Committee had met on 01.06.2021.

**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, 2022 and of the Profit and Loss of the Company for the said period;
- (3) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (4) The Directors had prepared the annual accounts on a going concern basis; and
- (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.

**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.

### **PARTICULARS OF EMPLOYEES**

The prescribed particulars of remuneration of employees pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out as an Annexure3 to the Directors' Report and forms a part of this Annual Report.

### **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, 2022, the board consists of seven members, one of whom is executive or whole time director and KMP, two of whom are Non-Executive directors and four 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 2021-22 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**

M/s. Agarwal Maheswari & Co., Chartered Accountants, Kolkata, Statutory auditors of the Company, shall hold office till the conclusion of the ensuing 36th Annual General Meeting of the Company. The Board has recommended the appointment of M/s. Mandawewala & Co., Chartered Accountants, Kolkata (Firm Registration No.: 322130E) as the statutory auditors of the Company in the place of the retiring auditors, M/s Agarwal Maheswari & Co., for a term of five consecutive years, from the conclusion of the ensuing 36th Annual General Meeting of the Company till the conclusion of the 41st Annual General Meeting to be held, for approval of shareholders of the Company, based on the recommendation of the Audit Committee in compliance with the mandatory rotation of auditors as per provisions of the Companies Act, 2013.

Further, the report of the Statutory Auditors along with notes forming part of the Company's accounts as given under Notes (No. 1 – 29) 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 2021-22.

**CASH FLOW STATEMENT**

In conformity with the provisions of Clause 34 of the SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year 2021-22 is annexed hereto.

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

Details of loans, guarantees and investments under Section 186 of the Companies Act has been given in Notes to Accounts.



### **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 - <https://www.paragonfinanceltd.com/files/Policy%20on%20Materiality%20as%20per%20Reg%2023.pdf>

Your Directors draw attention of the members to Note 27 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, Priti Lakhota, Practicing Company Secretary has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditors is enclosed as Annexure 1 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 2021-22 have been paid. The address of the said Stock Exchange is as follows:

The Bombay Stock Exchange  
PhirozeJeejeebhoy Towers,  
Dalal Street, Fort  
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 2.



**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 as amended 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. The said policy is available of the company’s website at <https://www.paragonfinance.com/files/Archival%20Policy.pdf>



**ID FAMILARISATION PROGRAMME**

Independent Directors have been given adequate Documents and Annual Reports 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 31.03.2022.

**CORPORATE SOCIAL RESPONSIBILITY**

Your company does not fall under the compulsory compliance of CSR u/s 135 of the Companies Act 2013.

**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.

**On behalf of the Board of Director**

**Place: Kolkata**

**Date: 25.06.2022**

**Aloke Kumar Gupta**

**Sd/-**

**Director**

**DIN-00825331**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> DAY OF MARCH, 2022**  
**[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 LTD**  
**CIN: L65921WB1986PLC040980**  
**SIKKIM HOUSE 4TH FLOOR4/1**  
**MIDDLETON STREET KOLKATA**  
**WB 700071 IN**

We have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PARAGON FINANCE LTD (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 my 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**, I hereby report that in our opinion the Company has, during the audit period covering the financial year ended **31<sup>st</sup> March, 2022** 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, 2022** according to the provisions of following Acts as amended from time to time alongwith the rules and regulations made there under:

- 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. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

- e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- j. The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We have also examined the compliance of the applicable clauses 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 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.

The compliance by the company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

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.

**Place: Kolkata**  
**Date: 25/06/2022**

**Sd/-**  
**PRITI LAKHOTIA**  
**Practicing Company Secretary**  
**Membership No: F10843**  
**C.P. No.: 12790**  
**UDIN:F010843D000531055**



**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, 2022. 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**

Over the first half of 2021, an uneven and divergent recovery had lifted the global economy out of the deep contraction imposed by the pandemic in the preceding year. According to the International Monetary Fund (IMF) in its World Economic Outlook of April 2022, world GDP expanded by 6.1 per cent in 2021 as against a contraction of 3.1 per cent in the previous year. Global growth lost pace in the second half of the year, beset by the highly transmissible but milder variant of COVID-19 – Omicron.

According to the IMF's latest World Economic Outlook projections, India's real GDP will grow at 9% in 2022-23, and 7.1% in 2023-2024, making it the world's fastest growing major economy for all three years. The coming year is expected to see an increase in private sector investment with the financial system in strong shape to support the country's economic recovery.

**INDUSTRY OVERVIEW**

NBFCs have been strengthening their presence in the market and have made significant progress than the banks. In FY 2022, total vehicle sales in India, passenger vehicles, two-wheelers, commercial vehicles and quadricycles combined saw a decline of nearly 19% compared to pre-COVID fiscal year of 2019-20. The Indian automotive industry is expected to reach US\$ 300 billion by 2026. India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy trucks manufacturer in the world. The Government of India expects automobile sector to attract US\$ 8-10 billion in local and foreign investments by 2023.

The pandemic impacted the NBFCs operations, leading to decline in disbursements across the sectors. However, the support and focus of the Government through various liquidity measures such as repo rate cut, targeted long-term repo operations, special liquidity scheme and partial credit guarantee scheme, kept the sector afloat.

**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 believes that strong internal control system and processes play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources.



The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records. The Internal Audit reports are periodically reviewed by the Audit Committee. The Company is having an internal control system including suitable monitoring procedures commensurate with its size of operations. Internal Auditor of the Company works on a continuous basis, covering the financial and other matters. Further, the findings of the different audits are also periodically reviewed by the Audit Committee of the Board.

### **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 continues to lay emphasis on risk management, especially in an environment which is characterized by increasing uncertainties. Hence the Management regularly monitors and reviews the continuous changing Economic and Market conditions in order to take timely and prudent investment decisions.

### **HUMAN RESOURCES**

The Company recognizes human resources as a key component for facilitating organizational growth and shareholder value creation. Our endeavour is to create an environment where all four pillars work in harmony for the success of the organization. Your Company continues with the philosophy of thrust and focus on human resources for its continued success. In order to strengthen our human resources for meeting the future challenges and expansion plans, we have focused on hiring the best resources available and retaining and developing our existing talent pool.

### **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. 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.

### **KEY FINANCIAL RATIOS**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Amendment Regulations) the company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios. The company has identified below ratios as the key financial ratios:



Particulars	FY 2021-22	FY 2020-21
(i) Interest Coverage Ratio	42.47	8.04
(ii) Debt Equity Ratio	0.03	0.03

Interest Coverage Ratio has increased significantly due to decrease in Finance Cost by 60% and increase in EBIDTA by 109% as compared to preceding Financial Year. The decrease in Finance Cost is attributable to repayment of old loans at early stage in the Financial Year and the increase in EBIDTA is attributable to increase in income from Futures and Options.

Place: Kolkata

For and behalf of the Board Directors

**Sd/-**  
**Aloke Kumar Gupta**  
**Director**  
**DIN-00825331**

## **INDEPENDENT AUDITOR'S REPORT**

To The Members of  
**PARAGON FINANCE LIMITED**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **Paragon Finance Limited** (“the Company”),(CIN: L65921WB1986PLC040980) which comprise the Balance Sheet as at **31st March, 2022**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 (the ‘Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2022, and its profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### **Principal Audit Procedures**

We have performed the following audit procedures in order to obtain sufficient audit evidence:

- Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of Financial Statements,
- Reviewed the exemptions availed by the Company from certain requirements under Ind AS,
- Obtained an understanding of the governance over the determination of key judgments,
- Evaluated and tested the key assumptions and judgments adopted by management,
- Assessed the disclosures made against the relevant Ind AS, and
- Determined the appropriateness of the methodologies and models used along with the responsibility of the outputs.

### **Information other than the Financial Statement and Auditor's Report thereon**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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.

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's management is responsible to make a detailed assessment (to the extent possible based on the information available) of the impact of COVID19 on the items, components of the Financial statements including disclosures in the financial statement.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable Assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentations, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197.
2. As required by the Companies (Auditor's Report) Order, 2020 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.

3. 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 financial statements dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- (g) With respect to the matter to be included in the Auditors' Report under section 197(16):  
In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provision of Section 197 of the Act.
- (h) 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.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.
  - (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note No. 28(h) of the Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note No. 28(i) of the Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year.

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

Place: Kolkata

Dated: The 12th day of May, 2022.

**Sd/-**  
**[CA. APURVA MAHESWARI]**  
**Partner**  
**Membership No. 304538**  
**UDIN: 22304538AIVWNS9422**

## 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, 2022.**

- 1) a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.  
  
(B) The Company does not have any Intangible Assets as on the Balance Sheet date.  
  
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) The Company does not own any immovable property in the name of the Company. Therefore, the provisions of Clause 3(i)(c) of the Order are not applicable to the Company.  
  
d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.  
  
e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- 2) a) According to the information and explanations given to us The Company does not have any Inventory. Therefore, the provisions of Clause 3(ii)(a) of the order is not applicable to the Company.  
  
b) According to the information and explanations given to us , the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Therefore, the provision of Clause 3(ii)(b) of the Order is not applicable to the Company.
- 3) In respect of the Investments in, provision of guarantee or security & granting of loans or advances in the nature of loans, secured or unsecured, by the Company to Companies, Firms, Limited Liability Partnership or other parties -
  - a) The Company is in the principal business of giving loans. Therefore Clause 3(iii)(a) of the Order is not applicable to the Company.
  - b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
  - c) In our opinion and according to the information and explanation given to us, with respect to loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

- d) In our opinion and according to the information and explanation given to us, the total overdue amount for more than 90 days in respect of loans granted by the Company aggregates to Rs.172.21 Lakhs. The Company is taking reasonable steps for recovery of principal and interest in the form of regular follow ups with the borrowers and also legal recourse in applicable cases
- e) The Company is in the principal business of giving loans. Therefore Clause 3(iii)(e) of the Order is not applicable to the Company.
- f) The Company has granted Loans repayable on demand to the tune of Rs. 118.75 Lakhs, accumulating to 8.77% of the Total loans or advances in the nature of loans granted by the Company. The Company has granted Loans repayable on Demand up to Rs. 118.75 Lakhs to related parties as defined in clause (76) of Section 2 of the Companies Act, 2013.
- 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 2020 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) In our opinion, the company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales 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, 2022 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, 2022 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

- 8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- 9) a) 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 loans or other borrowings or payment of interest thereon to any lender.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) The Company does not have any subsidiaries, associates or joint ventures during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- f) The Company does not have any subsidiaries, joint ventures or associate companies during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- 10) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) 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 or optionally convertible debentures during the year under review. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable to the Company.
- 11) a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) We have not received any whistle-blower complaints during the year and hence, reporting under Clause 3(xi)(c) of the order is not applicable to the Company.
- 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) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 15) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16) a) 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.
- b) According to the audit procedures performed and the information and explanation given to us by the management, the Company has performed Non-Banking Financial Activities during the year having a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) According to the audit procedures performed and the information and explanation given to us by the management, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence, clause 3(xvi)(c) of the order is not applicable to the Company.
- d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- 17) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors of the Company during the year.
- 19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- 20) According to the information and explanations given to us and based on our examination of records of the Company, section 135 of the Companies Act, 2013 , dealing with Corporate Social Responsibility (CSR) activities is not applicable to the Company for the year under reporting. Accordingly, reporting under clause 3(xx)(a) & 3(xx)(b) of the Order is not applicable for the Company.

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

Place: Kolkata

Dated: The 12th day of May, 2022.

**Sd/-**  
**[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, 2022** in conjunction with our audit of Ind As 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, 2022, 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 12th day of May, 2022

**Sd/-  
[CA. APURVA MAHESWARI]  
Partner  
Membership No. 304538**

**TO THE BOARD OF DIRECTORS,**

We have examined the attached Balanced Sheet of **M/S PARAGON FINANCE LIMITED** as at 31st March, 2022 and also the annexed Profit & Loss Account and Cash Flow Statement of the company for the year ended as on that date and report thereon as under: -

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

1. The Company is engaged in the business of non-banking financial institution and has already obtained the Certificate of Registration from the Reserve Bank of India. [Regn No. 05.02104]
2. The Company is entitled to continue to hold Certificate of Registration in terms of its asset/income pattern as on March 31 of the current financial year.
3. The Board of the Directors has passed a resolution for non- acceptance of public deposits.
4. The company has not accepted any public deposits during the relevant period.
5. The company has complied with all the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of paragraph 13 of Non Systematically Important Non-Banking Financial(Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, and hence entitled to continue to hold such Certificate of Registration.
6. Other Clauses are not applicable to this Company.

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

Place: Kolkata

Dated: The 12th day of May, 2022

**Sd/-**  
**[CA. APURVA MAHESWARI]**  
**Partner**  
**Membership No. 304538**

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## BALANCE SHEET AS AT 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>(I) ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	3	181.62	574.74
(b) Other bank balances	4	95.52	94.61
(c) Loans	5	1,268.90	1,534.52
(d) Investments	6	963.68	294.01
(e) Other Financial Assets	7	122.65	107.05
<b>Total Financial Assets</b>		<b>2,632.37</b>	<b>2,604.94</b>
<b>(2) Non-financial Assets</b>			
(a) Current tax assets (Net)	25	22.28	20.14
(b) Deferred tax assets (Net)	8	6.02	16.03
(c) Property, plant and equipment	9	41.40	19.44
(d) Other non-financial assets	10	97.36	12.06
<b>Total Non Financial Assets</b>		<b>167.06</b>	<b>67.67</b>
<b>Total Assets</b>		<b>2,799.43</b>	<b>2,672.60</b>
<b>(II) LIABILITIES AND EQUITY</b>			
<b>(1) Liabilities</b>			
<b>(A) Financial Liabilities</b>			
(a) Borrowings (other than debt securities)	11	70.90	69.01
(b) Other financial liabilities	12	6.74	3.13
<b>Total Financial Liabilities</b>		<b>77.63</b>	<b>72.13</b>
<b>(B) Non-Financial Liabilities</b>			
(a) Other non-financial liabilities	13	17.68	7.88
<b>Total Non Financial Liabilities</b>		<b>17.68</b>	<b>7.88</b>
<b>Total Liabilities</b>		<b>95.32</b>	<b>80.01</b>
<b>(2) Equity</b>			
(a) Equity share capital	14	425.00	425.00
(b) Other equity	15	2,279.12	2,167.59
<b>Total Equity</b>		<b>2,704.12</b>	<b>2,592.59</b>
<b>Total Liabilities and Equity</b>		<b>2,799.43</b>	<b>2,672.60</b>
The accompanying notes are integral part of the Financial statements	1-29		

In terms of our report on even date

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

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

For and on behalf of the Board

Sd/-  
**SANJAY KUMAR GUPTA**  
Exec. Director & Company Secretary  
DIN : 00213467  
  
Sd/-  
**ALOKE KUMAR GUPTA, Director & CFO**  
DIN : 00825331

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

Dated : The 12th day of May, 2022

Sd/-  
**SHREYA GUPTA, Director**  
DIN : 00333208

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

<u>Particulars</u>	Note No.	For the year ended 31st March, 2022 (₹)	For the year ended 31st March, 2021 (₹)
<b>Revenue from operations</b>			
(a) Interest income	16	225.55	217.89
(b) Dividend income	17	9.17	4.70
(c) Net gain on fair value changes	18	31.67	82.21
<b>Total Revenue from operations</b>		<b>266.39</b>	<b>304.80</b>
<b>Other income</b>	19	39.00	6.44
<b>Total Income</b>		<b>305.39</b>	<b>311.24</b>
<b>Expenses</b>			
(a) Finance costs	20	2.35	5.91
(b) Impairment on financial instruments	21	14.20	34.29
(c) Employee benefits expenses	22	163.30	127.35
(d) Depreciation	23	8.53	5.59
(e) Other expenses	24	28.27	102.08
<b>Total Expenses</b>		<b>216.66</b>	<b>275.23</b>
<b>Profit before tax</b>		<b>88.73</b>	<b>36.01</b>
<b>Tax Expense:</b>			
(i) Current Tax	25	16.22	6.94
(ii) Deferred Tax	25	4.58	1.62
(iii) Taxation For Earlier Years		(0.01)	(2.20)
<b>Profit/(loss) for the year</b>		<b>67.94</b>	<b>29.66</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss Fair valuation of equity and preference instruments through other comprehensive income		49.01	101.80
(ii) Income tax relating to items that will not be reclassified to profit or loss		(5.42)	(13.41)
<b>Total other comprehensive income</b>		<b>43.58</b>	<b>88.39</b>
<b>Total comprehensive income for the year</b>		<b>111.53</b>	<b>118.05</b>
<b>Earnings per equity share (Amount in ₹)</b>	26		
Basic (₹)		1.60	0.70
Diluted (₹)		1.60	0.70
<b>The accompanying notes are integral part of the Financial statements</b>	1-29		

In terms of our report on even date

For, AGARWAL MAHESWARI & CO.  
Chartered Accountants

Sd/-

[CA. APURVA MAHESWARI]

Partner

FRN: 314030E, M. NO: 304538

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

Dated : The 12th day of May, 2022

For and on behalf of the Board

Sd/-

SANJAY KUMAR GUPTA  
DIN : 00213467

Sd/-

ALOKE KUMAR GUPTA  
DIN : 00825331

Sd/-

SHREYA GUPTA  
DIN : 00333208

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2022

(All amounts in ₹ lacs, unless otherwise stated)

	As at March 31,2022	As at March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extra ordinary items	88.73	36.01
Adjustment for :		
Net Gain/ Loss on Fair Value Changes	(31.67)	(82.21)
Depreciation	8.53	5.59
Impairment on financial instruments	14.20	34.29
Unmaortised Brokerage	1.37	8.38
Profit on Sale of Fixed Assets	(5.52)	(1.19)
Operating Profit before Working Capital changes	<b>75.65</b>	<b>0.89</b>
Adjustment for:		
Loans	251.42	372.26
Other Financial Assets	(15.60)	98.70
Other Non Financial Assets	(86.88)	(3.43)
Other Financial Liabilities	3.61	(7.31)
Other Non Financial Liabilities	9.80	3.94
Current Tax Assets	(2.14)	4.07
Cash generated from Operation	235.86	469.12
Tax Paid	(16.40)	(4.93)
<b>Net Cash from Operating activities ( A )</b>	<b>219.46</b>	<b>464.19</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets - Property, Plant & Equipments	(35.34)	(10.17)
Sale of Fixed Assets - Property, Plant & Equipments	10.37	2.35
Change in Investments	(588.59)	227.81
<b>Net Cash from Investing activities ( B )</b>	<b>(613.55)</b>	<b>219.99</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings	1.89	(179.41)
<b>Net Cash from Financing activities ( C )</b>	<b>1.89</b>	<b>(179.41)</b>
Net increase in Cash and Bank Balances ( A+B+C )	(392.20)	504.76
<b>Cash and Bank Balances at the begining of the year</b>	669.35	164.59
<b>Cash and Bank Balances at the close of the year</b>	<b>277.14</b>	<b>669.35</b>

This is the Cash flow statement referred to in or report of even date.

Notes:

- (i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows".

	As at 31 March 2022	As at 31 March 2021
(ii) <b>Cash and cash equivalents comprises of:</b>		
Cash on hand	8.30	13.84
Balances with banks		
- In current accounts	6.10	329.07
- In overdraft accounts	148.09	230.63
Cheques in hand	19.14	1.19
<b>Add: Other Bank Balance</b>		
Bank deposits with maturity more than 3 months less than 12 months	95.52	94.61
	<b>277.14</b>	<b>669.35</b>

For, AGARWAL MAHESWARI & CO.  
Chartered Accountants

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

For and on behalf of the Board

Sd/-  
SANJAY KUMAR GUPTA  
DIN : 00213467

Sd/-  
ALOKE KUMAR GUPTA  
DIN : 00825331

Sd/-  
SHREYA GUPTA  
DIN : 00333208

78, Bentinck Street,  
3rd Floor, Suite No. 1C,  
Kolkata - 700 001.  
Dated : The 12th day of May, 2022

## PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

#### A. Equity Share Capital

##### Current Reporting Period

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the reporting period	42.50	42.50
Changes in equity share capital during the year	0.00	0.00
<b>Balance at the end of the reporting period</b>	<b>42.50</b>	<b>42.50</b>

##### Previous Reporting Period

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the reporting period	42.50	42.50
Changes in equity share capital during the year	0.00	0.00
<b>Balance at the end of the reporting period</b>	<b>42.50</b>	<b>42.50</b>

#### B. Other Equity

	Reserves and Surplus			Other comprehensive income	
<u>Current Reporting Period</u>	Statutory Reserves	Security Premium Reserve	Retained Earnings	Fair valuation of equity Instruments through Other Comprehensive Income	Total
<b>Balance at 31 March 2021</b>	<b>362.26</b>	<b>251.38</b>	<b>1,507.88</b>	<b>46.08</b>	<b>2,167.59154</b>
Profits for the year	0.00	0.00	67.94	0.00	67.94
Transferred to statutory reserves	13.59	0.00	(13.59)	0.00	0.00
Items of other comprehensive income:					
- Net fair value gain on investment in equity and preference instruments through OCI	0.00	0.00	0.00	49.01	49.01
- Tax impact	0.00	0.00	0.00	(5.42)	(5.42)
<b>Balance at 31 March 2022</b>	<b>375.85</b>	<b>251.38</b>	<b>1,562.23</b>	<b>89.66</b>	<b>2,279.12</b>

## PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022 (CONTD.)

<u>Previous Reporting Period</u>	Reserves and Surplus			Other comprehensive income		
Particulars	Statutory Reserves	Security Premium Reserve	Retained Earnings	Fair valuation of equity Instruments through Other Comprehensive Income		Total
<b>Balance at 31 March 2020</b>	<b>356.33</b>	<b>251.38</b>	<b>1,484.15</b>	<b>(42.31)</b>		<b>2,049.54</b>
Profits for the year	0.00	0.00	29.66	0.00		29.66
Transferred to statutory reserves	5.93	0.00	(5.93)	0.00		0.00
Items of other comprehensive income:						
- Net fair value gain on investment in equity and preference instruments through OCI	0.00	0.00	0.00	101.80		101.80
- Tax impact	0.00	0.00	0.00	(13.41)		(13.41)
<b>Balance at 31 March 2021</b>	<b>362.26</b>	<b>251.38</b>	<b>1,507.88</b>	<b>46.08</b>		<b>2,167.59</b>

**The accompanying notes are integral part of the Financial statements**

This is the Statement of Changes in Equity referred to in our report of even date.

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

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

78, Bentinck Street,  
3rd Floor, Suite No. 1C,  
Kolkata - 700 001.  
Dated : The 12th day of May, 2022

For and on behalf of the Board

Sd/-  
SANJAY KUMAR GUPTA  
DIN : 00213467

Sd/-  
ALOKE KUMAR GUPTA  
DIN : 00825331

Sd/-  
SHREYA GUPTA  
DIN : 00333208

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## **NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts in ₹ lacs, unless otherwise stated)

### **NOTE - 1 : PROFILE OF THE COMPANY**

#### **1 (a) Corporate Information**

Paragon Finance Limited ("the Company") is a public limited company domiciled in India and registered under the provisions of the Companies Act, 1956, governed by Companies Act, 2013. The Company is a Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("the RBI") and is engaged in the business of providing loans and making investments in shares and securities.

#### **(b) Basis of preparation of financial statements**

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India and the regulatory guidance on implementation of Ind AS as notified by the RBI vide notification dated 13 March 2020. The Guidance Note on Division III - Schedule III to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India ("ICAI") has been followed in so far as they are not inconsistent with any of these Directions

For all periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31 March 2020 were the first the Company had prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') together read with the MCA notification dated 11 October 2018 which states the mandate for adoption of these standards by the NBFC Companies, as defined under the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

#### **(c) Presentation of financial statements**

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 29(b).

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business.
- The event of default.
- The event of insolvency or bankruptcy of the Company and/or its counterparties.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

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CIN: L65921WB1986PLC040980

## **NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts in ₹ lacs, unless otherwise stated)

### **(d) Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### **Business model assessment**

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

### **Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

### **Provisions and other contingent liabilities**

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

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CIN: L65921WB1986PLC040980

## **NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts in ₹ lacs, unless otherwise stated)

### **NOTE - 2 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

#### **2.01 Revenue recognition**

##### **Interest income**

The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges). If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

##### **Dividend income**

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

#### **2.02 Financial instruments**

##### **Point of recognition**

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities, deposits and borrowings when funds reach the Company.

##### **Initial recognition**

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as per the principles of the Ind AS. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts mentioned below:

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## **NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts in ₹ lacs, unless otherwise stated)

### **Subsequent measurement of financial liabilities**

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

### **Subsequent measurement of financial assets**

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset; and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

#### **(a) Financial assets measured at amortized cost**

#### **(b) Financial assets measured at fair value through other comprehensive income (FVTOCI)**

#### **(c) Financial assets measured at fair value through profit or loss (FVTPL)**

#### **(a) Financial assets measured at amortized cost:**

A Financial asset is measured at the amortized cost if both the following conditions are met:

- (i) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows; and
- (ii) The contractual terms of the Financial asset give rise on specified dates to cash Flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss. The amortized cost of a financial asset is also adjusted for loss allowance, if any.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## **NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts in ₹ lacs, unless otherwise stated)

### **(b) Financial assets measured at FVTOCI:**

A financial asset is measured at FVTOCI if both of the following conditions are met:

- (i) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt and equity instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of profit and loss under 'Other Comprehensive Income (OCI)'. However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss. On de-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to the Statement of Profit and Loss, except for instruments which the Company has irrevocably elected to be classified as equity through OCI at initial recognition, when such instruments meet the definition of definition of Equity under Ind AS 32 Financial Instruments: Presentation and they are not held for trading. The Company has made such election on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in the statement of profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

### **(c) Financial assets measured at FVTPL:**

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the

### **De-recognition:**

#### **(a) Financial asset:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's balance sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset. A regular way purchase or sale of financial assets has been derecognised, as applicable, using trade date accounting.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

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## **NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts in ₹ lacs, unless otherwise stated)

iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the Financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On de-recognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

### **(b) Financial liability:**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

### **Impairment of financial assets:**

In accordance with Ind AS 109, the Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

'- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### **Trade receivables**

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## **NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts in ₹ lacs, unless otherwise stated)

### **Other financial assets:**

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

### **Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **2.03 Fair Value**

The Company measures its financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- **Level 1** (unadjusted) - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

# PARAGON FINANCE LIMITED

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## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

- **Level 2** - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

- **Level 3** - Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### **2.04 Income Taxes**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

#### **Current tax**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## **NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts in ₹ lacs, unless otherwise stated)

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

### **Presentation of current and deferred tax:**

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period. Further, the MAT credit is not set-off against the deferred tax liabilities, since the Company does not have a legally enforceable right to set-off.

### **2.05 Provisions and contingencies**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

**PARAGON FINANCE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST  
MARCH, 2022**

(All amounts in ₹ lacs, unless otherwise stated)

**2.06 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

**2.07 Employee Benefits**

**Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

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

**2.08 Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

**2.09 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

**2.10 Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

**2.11 Property, plant & equipment**

**Measurement at recognition**

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## **NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts in ₹ lacs, unless otherwise stated)

### **Depreciation**

Depreciation on each part of an item of property, plant and equipment is provided using the written down value method based on the useful life of the asset as prescribed in Schedule II to the Act.

### **De-recognition**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

### **First time adoption of Ind AS**

The Company had elected to consider the carrying value of all its property, plant and equipment appearing in the financial statements prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 01 April 2018.

## **2.12 Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## **2.13 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b><u>Note - 3 : Cash and Cash Equivalents</u></b>		
Cash on hand [As certified by management]	8.30	13.84
Balances with banks in current account	6.10	329.07
Balances with banks in overdraft account	148.09	230.63
Cheques in hand	19.14	1.19
<b>TOTAL</b>	<b>181.62</b>	<b>574.74</b>
<b><u>Note - 4 : Other Bank Balances</u></b>		
Bank deposit *	95.52	94.61
* (with Original maturity more than 3 months but less than 12 months)		
<b>TOTAL</b>	<b>95.52</b>	<b>94.61</b>
<b><u>Note - 5 : Loans : Attached in Separate Sheet annexed</u></b>		
<b><u>Note - 6 : Investments : Attached in Separate Sheet annexed</u></b>		
<b><u>Note - 7 : Other Financial Assets</u></b>		
Other Advances	122.65	107.05
<b>TOTAL</b>	<b>122.65</b>	<b>107.05</b>
<b><u>Note - 8 : Deferred Tax Assets</u></b>		
<b><u>Deferred Tax Liability:</u></b>		
Fair valuation on investments measured at FVTPL	6.05	2.53538
Unamortised Brokerage Cost	0.02	0.35965
<b>Total Deferred Tax Liabilities</b>	<b>6.06</b>	<b>2.89503</b>
<b><u>Deferred Tax Assets:</u></b>		
Fair valuation on instruments measured at FVTOCI	5.29	10.71096
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	6.80	8.20943
<b>Total Deferred Tax Assets</b>	<b>12.09</b>	<b>18.92038</b>
<b>Deferred Tax Assets, Net</b>	<b>6.02</b>	<b>16.02536</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### **Note - 5 : Loans**

	As at 31 March 2022			As at 31 March 2021		
	Amortised Cost	At fair value through profit and loss	Total	Amortised Cost	At fair value through profit and loss	Total
<b>(A) Loans</b>						
Security deposits	0.02	0.00	0.02	0.03	0.00	0.03
Loans repayable on demand						
- To related parties	118.75	0.00	118.75	134.41	0.00	134.41
Other loans	1,235.83	0.00	1,235.83	1,471.58	0.00	1,471.58
	<b>1,354.60</b>	<b>0.00</b>	<b>1,354.60</b>	<b>1,606.02</b>	<b>0.00</b>	<b>1,606.02</b>
Less: Impairment allowance (refer note (a) below)	(85.70)	0.00	(85.70)	(71.50)	0.00	(71.50)
	<b>1,268.90</b>	<b>0.00</b>	<b>1,268.90</b>	<b>1,534.52</b>	<b>0.00</b>	<b>1,534.52</b>
<b>(B) Security</b>						
Secured by tangible assets	229.82	0.00	229.82	335.40	0.00	335.40
Unsecured	1,124.78	0.00	1,124.78	1,270.62	0.00	1,270.62
	<b>1,354.60</b>	<b>0.00</b>	<b>1,354.60</b>	<b>1,606.02</b>	<b>0.00</b>	<b>1,606.02</b>
Less: Impairment allowance (refer note (a) below)	(85.70)	0.00	(85.70)	(71.50)	0.00	(71.50)
	<b>1,268.90</b>	<b>0.00</b>	<b>1,268.90</b>	<b>1,534.52</b>	<b>0.00</b>	<b>1,534.52</b>
<b>(C) Other details</b>						
Loans in India						
- Public Sector	0.00	0.00	0.00	0.00	0.00	0.00
- Others	1,354.60	0.00	1,354.60	1,606.02	0.00	1,606.02
	<b>1,354.60</b>	<b>0.00</b>	<b>1,354.60</b>	<b>1,606.02</b>	<b>0.00</b>	<b>1,606.02</b>
Less: Impairment allowance (refer note (a) below)	(85.70)	0.00	(85.70)	(71.50)	0.00	(71.50)
	<b>1,268.90</b>	<b>0.00</b>	<b>1,268.90</b>	<b>1,534.52</b>	<b>0.00</b>	<b>1,534.52</b>

#### **(a) Movement in impairment allowance during the period is as follows:**

	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	71.50	37.21
Add/(Less): Provision made during the year	14.20	34.29
Balance at the end of the year	<b>85.70</b>	<b>71.50</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 6 : Investments

	As at 31 March 2022				As at 31 March 2021			
	Amortised Cost	At fair value Through other comprehensive income	Through profit and loss	Total	Amortised Cost	At fair value Through other comprehensive income	Through profit and loss	Total
<b>(a) Investment in:</b>								
Mutual funds (quoted)	0.00	0.00	300.79	300.79	0.00	0.00	88.32	88.32
Exchange Traded Fund (quoted)	0.00	0.00	19.25	19.25	0.00	0.00	13.52	13.52
Equity instruments- Others (quoted)	0.00	640.97	0.00	640.97	0.00	187.89	0.00	187.89
Equity instruments- Others (unquoted)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Preference instruments	0.00	0.00	0.00	0.00	0.00	1.52	0.00	1.52
Debentures	0.00	0.00	2.66	2.66	0.00	0.00	2.76	2.76
<b>TOTAL</b>	<b>0.00</b>	<b>640.97</b>	<b>322.70</b>	<b>963.67683</b>	<b>0.00</b>	<b>189.41</b>	<b>104.61</b>	<b>294.01</b>
<b>(b) Other details:</b>								
Investment Outside India	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment in India	0.00	640.97	322.70	963.68	0.00	189.41	104.61	294.01
<b>TOTAL</b>	<b>0.00</b>	<b>640.97</b>	<b>322.70</b>	<b>963.68</b>	<b>0.00</b>	<b>189.41</b>	<b>104.61</b>	<b>294.01</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 6 : Investments (Contd.)

	As at 31 March 2022			As at 31 March 2021		
	Number	Amount (₹)	in Lakhs	Number	Amount (₹)	in Lakhs
<b>(a) <u>Investment in mutual funds (quoted)</u></b>						
<b>(Measured at FVTPL)</b>						
UTI Nifty Index Fund	9,327	1,096,534	10.97	9,327	914,155	9.14
UTI Nifty Next 50 Index Fund	71,656	1,072,224	10.72	71,656	886,284	8.86
HDFC Index Nifty 50 Fund	146,698	24,017,862	240.18	49,979	6,825,200	68.25
HDFC Ultra S/T Fund	4,082	50,486	0.50	0	0	0.00
ICICI Prudential Nifty Index Fund	6,299	1,114,924	11.15	0	0	0.00
UTI Nifty Next 50 SIP	182,260	2,727,248	27.27	16,711	206,693	2.07
<b>TOTAL</b>	<b>420,322</b>	<b>30,079,276.91</b>	<b>300.79</b>	<b>147,673</b>	<b>8,832,331.89</b>	<b>88.32</b>
<b>(b) <u>Investment in Exchange Traded Fund (quoted)</u></b>						
<b>(Measured at FVTPL)</b>						
Nippon ETF Nifty Bees	5,000	944,300	9.44	5,000	786,350	7.86
Nippon ETF Liquid Bees	0	375	0.00	0	375	0.00
Bharat Bond ETF	500	603,035	6.03	500	565,595	5.66
Nippon ETF Nifty Bees - MOSL	2,000	377,740	3.78	0	0	0.00
<b>TOTAL</b>	<b>7,500</b>	<b>1,925,450</b>	<b>19.25</b>	<b>5,500</b>	<b>1,352,320</b>	<b>13.52</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 6 : Investments (Contd.)

	As at 31 March 2022			As at 31 March 2021		
	Number	Amount (₹)	in Lakhs	Number	Amount (₹)	in Lakhs
<b>(c) <u>Investment in equity shares (quoted)</u></b>						
<b>(Measured at FVTOCI)</b>						
Abott India Limited	50	884,973	8.85	0	0	0.00
Aditya Birla Capital	700	75,355	0.75	700	83,510	0.84
Aksharchem India Lim	83	28,959	0.29	100	23,285	0.23
Alchem Laboratories Ltd	400	1,448,280	14.48	0	0	0.00
Alkali Metals	1,000	79,300	0.79	1,000	49,950	0.50
Apex frozen Foods Limited	350	97,510	0.98	350	72,590	0.73
APL Autotubes Limited	1,500	1,371,150	13.71	0	0	0.00
Apollo Hospitals Ent Ltd	125	564,531	5.65	0	0	0.00
Aptus Value Housing	15,000	5,102,750	51.03	0	0	0.00
Ashco Industries	5,000	1,450	0.01	5,000	0	0.00
Asian Granito Ind Ltd	2,000	198,300	1.98	1,000	144,100	1.44
Asian Paints Ltd	1,200	3,698,100	36.98	300	761,025	7.61
Bajaj Electricals Ltd.	1,000	1,075,000	10.75	0	0	0.00
Bank of Baroda	1,990	222,084	2.22	1,990	147,459	1.47
Bharat Electronics Ltd	2,000	421,700	4.22	0	0	0.00
BHEL	4,000	197,400	1.97	4,000	195,000	1.95
Borosil Limited	200	66,270	0.66	0	0	0.00
BPCL	3,600	1,293,120	12.93	3,600	1,540,620	15.41
BSE Ltd	0	0	0.00	141	80,525	0.81
Can Fin Homes Ltd	0	0	0.00	500	306,875	3.07
Cholamandalam Industries	0	0	0.00	0	0	0.00
Clutch Auto	1,000	10,650	0.11	1,000	0	0.00
Coal India	10,000	1,830,000	18.30	10,000	1,304,000	13.04

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
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CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 6 : Investments (Contd.)

	As at 31 March 2022			As at 31 March 2021		
	Number	Amount (₹)	in Lakhs	Number	Amount (₹)	in Lakhs
Cummins India Ltd	0	0	0.00	250	229,913	2.30
Dalmia Bharat Limited	500	747,350	7.47	0	0	0.00
Deccan Chronicle Holdings Limited	2,500	5,850	0.06	2,500	0	0.00
Deep Energy Resources Limited	1,500	78,450	0.78	1,500	50,625	0.51
Dharamsi Morarji	2,500	909,875	9.10	0	0	0.00
Dollar Industries Ltd	0	0	0.00	3,000	691,350	6.91
Duncans Limited	2,000	18,200	0.18	2,000	0	0.00
Eclerx Services Ltd	0	0	0.00	82	90,446	0.90
FairChem Organics Ltd.	400	600,980	6.01	0	0	0.00
FariChem Organics	500	752,375	7.52	0	0	0.00
FDC Limited	2,000	513,800	5.14	0	0	0.00
Gammon India LTD.	200	290	0.00	200	0	0.00
Garden Reach Shipping	1,000	226,700	2.27	0	0	0.00
GATI Ltd	0	0	0.00	1,000	102,750	1.03
GIC Housing Finance	500	65,475	0.65	500	58,275	0.58
Godrej Consumer Prod	0	0	0.00	300	218,895	2.19
GOL Offshore Limited	8,500	85,425	0.85	8,500	0	0.00
Greenply Industries Ltd	2,000	441,000	4.41	0	0	0.00
Gujrat Mineral Dev. Corp. Ltd.	0	0	0.00	2,000	110,500	1.11
HCL Technologies	1,400	1,628,970	16.29	700	688,415	6.88
HDFC Life Insurance Co. Ltd.	500	269,125	2.69	0	0	0.00
Hikal Limited	2,600	1,046,370	10.46	0	0	0.00
Himachal Futuristic Ltd	100,000	7,870,000	78.70	100,000	2,520,000	25.20
IDFC First Bank Ltd	0	0	0.00	2,000	111,400	1.11
IDFC Ltd	4,000	247,000	2.47	4,000	189,400	1.89

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## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 6 : Investments (Contd.)

	As at 31 March 2022			As at 31 March 2021		
	Number	Amount (₹)	in Lakhs	Number	Amount (₹)	in Lakhs
India Pesticides	472	127,015	1.27	0	0	0.00
Indoco Remedies Limited	5,000	1,882,750	18.83	0	0	0.00
Indusind Bank Ltd	300	280,620	2.81	300	286,335	2.86
IRCON International	0	0	0.00	10,000	883,500	8.84
IRCON International(Bonus)	0	0	0.00	0	0	0.00
ITC Ltd	8,200	2,056,560	20.57	0	0	0.00
JAY Bharat Maruti Ltd	3,000	425,400	4.25	1,500	341,550	3.42
K S Oils	2,500	1,100	0.01	2,500	0	0.00
Kajaria Ceramics Ltd.	700	713,510	7.14	0	0	0.00
Kalyani Steels Ltd	500	148,200	1.48	1,000	318,650	3.19
Karnataka Bank Ltd	1,100	60,995	0.61	1,100	67,210	0.67
Kaveri Seeds Co. Ltd	0	0	0.00	1,791	918,873	9.19
Kotak Mahindra Bank Ltd	400	701,880	7.02	0	0	0.00
Krsnaa Diagnostics	410	200,367	2.00	0	0	0.00
Laurus Labs Limited	3,000	1,770,150	17.70	0	0	0.00
Magma Fincorp Ltd	0	0	0.00	1,000	110,100	1.10
Malcom India Ltd.	200	151,620	1.52	0	0	0.00
Max Financial Services Ltd.	1,400	1,055,460	10.55	0	0	0.00
Mayur Uniquoters Ltd	300	107,385	1.07	1,100	458,480	4.58
Mcdowell Holdings Ltd	0	0	0.00	3,500	144,200	1.44
Murli Industries	3,500	0	0.00	3,500	17,710	0.18
Navin Fluorine Int	400	1,632,840	16.33	0	0	0.00
NBCC (India) Limited	10,000	363,000	3.63	10,000	468,000	4.68
New Gen Software Tech Ltd	1,000	465,800	4.66	0	0	0.00
NTPC Ltd	0	0	0.00	1,000	106,550	1.07

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 6 : Investments (Contd.)

	As at 31 March 2022			As at 31 March 2021		
	Number	Amount (₹)	in Lakhs	Number	Amount (₹)	in Lakhs
Panasonic Carbon Ind.	458	184,276	1.84	458	187,848	1.88
Parag Milk Foods Ltd	500	48,375	0.48	500	52,775	0.53
Pennar Industries Ltd	2,653	91,661	0.92	2,653	43,244	0.43
PFCL	6,200	697,190	6.97	0	0	0.00
Piramal Enterprises	275	601,453	6.01	0	0	0.00
Piramal Enterprises Ltd	300	656,070	6.56	0	0	0.00
Polycab India Limited	500	1,182,575	11.83	0	0	0.00
Prince Pipes & Fittings Ltd	3,000	1,902,900	19.03	0	0	0.00
Punjab National Bank	1,500	52,575	0.53	1,500	54,975	0.55
Quess Corp Ltd	0	0	0.00	200	139,760	1.40
REC Limited	6,000	738,000	7.38	0	0	0.00
Reliance Industries Ltd	500	1,317,375	13.17	0	0	0.00
Ruchira Papers Ltd	2,554	294,093	2.94	2,554	58,476	0.58
Rupa & Company Ltd.	1,000	438,150	4.38	1,500	460,950	4.61
SAMKRG Pistons & Rin	1,300	188,175	1.88	1,300	198,770	1.99
SKF India Ltd	400	1,415,260	14.15	0	0	0.00
Southern Online	0	0	0.00	99,975	92,977	0.93
Stove Kraft Limited	1,300	798,135	7.98	0	0	0.00
Sun Pharmaceuticals	0	0	0.00	3,950	2,361,310	23.61
Tata Consumer Product Ltd	1,000	777,250	7.77	0	0	0.00
Tata Cummins Ltd.	500	614,300	6.14	0	0	0.00
Tata Motors DVR A OR	0	0	0.00	900	115,245	1.15
Tata Motors Limited	0	0	0.00	1,500	452,700	4.53
Tech Mahindra Limited	100	149,945	1.50	0	0	0.00
Techno Electrical & Engineering Co.	3,000	743,250	7.43	0	0	0.00

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 6 : Investments (Contd.)

	As at 31 March 2022			As at 31 March 2021		
	Number	Amount (₹)	in Lakhs	Number	Amount (₹)	in Lakhs
The Byke Hospitality	3,000	110,700	1.11	3,000	55,350	0.55
TTK Prestige Limited	1,000	826,750	8.27	0	0	0.00
Ultra Tech Cements Ltd	125	825,273	8.25	0	0	0.00
Union Bank (Previously Corporation Bank)	1,155	44,699	0.45	1,155	39,328	0.39
VA TECH WABAGE LTD	500	140,200	1.40	500	125,425	1.25
Vedanta Ltd	0	0	0.00	2,000	457,500	4.58
Zensar Technologies Limited	8,000	2,940,000	29.40	0	0	0.00
<b>TOTAL</b>	<b>273,000</b>	<b>64,097,398</b>	<b>640.97</b>	<b>320,149</b>	<b>18,788,697</b>	<b>187.89</b>

### (d) Investment in equity shares (unquoted)

#### (Measured at FVTOCI)

Kingfisher Ariline Ltd	1,000	0	0.00	1,000	0	0.00
Socrus Bio Sciences Limited	2,000	0	0.00	2,000	0	0.00
Varun Globl Ltd	6,500	0	0.00	6,500	0	0.00
Varun Resources	26,000	0	0.00	26,000	0	0.00
Coral Hub	600	0	0.00	600	0	0.00
<b>TOTAL</b>	<b>36,100</b>	<b>0.00</b>	<b>0.00</b>	<b>36,100</b>	<b>0.00</b>	<b>0.00</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 6 : Investments (Contd.)

	As at 31 March 2022			As at 31 March 2021		
	Number	Amount (₹)	in Lakhs	Number	Amount (₹)	in Lakhs
<b>(e) <u>Investment in preference shares (quoted)</u></b> <b>(Measured at FVTOCI)</b>						
Zee Entertainment (bonus)	0	0	0.00	80,010	152,019	1.52
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>80,010</b>	<b>152,019.00</b>	<b>1.52</b>
<b>(f) <u>Investment in debentures</u></b> <b>(Measured at FVTPL)</b>						
8.49% NTPC NCD (bonus)	20,000	262,400	2.62	20,000	272,800	2.73
8% Britannia Ind Ltd. NCD (bonus)	100	3,158	0.03	100	3,204	0.03
<b>TOTAL</b>	<b>20,100</b>	<b>265,558</b>	<b>2.66</b>	<b>20,100</b>	<b>276,004</b>	<b>2.76</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 8 : Deferred Tax Assets (Contd.)

#### Movement in deferred tax assets for year ended 31 March 2021:

Particulars	As at 01 April 2021	Statement of Profit or Loss	Other Comprehe nsive Income	As at 31 March 2022
<b>Deferred tax liabilities for taxable temporary differences on:</b>				
Fair valuation on investments measured at FVTPL	2.53538	3.51	0.00	6.05
Unamortised Brokerage Cost	0.36	(0.34)	0.00	0.02
<b>TOTAL</b>	<b>2.90</b>	<b>3.17</b>	<b>0.00</b>	<b>6.06</b>
<b>Deferred tax assets for deductible temporary differences on:</b>				
Fair valuation on instruments through OCI	10.71	0.00	(5.42)	5.29
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	8.21	(1.41)	0.00	6.80
<b>TOTAL</b>	<b>18.92</b>	<b>(1.41)</b>	<b>(5.42)</b>	<b>12.09</b>
<b>Deferred Tax Assets, Net</b>	<b>16.02536</b>	<b>(4.58)</b>	<b>(5.42)</b>	<b>6.02</b>

### Note - 9 : Property, Plant & Equipment : Attached in Separate Sheet annexed

### Note - 10 : Other Non- Financial Assets

	As at 31 March 2022	As at 31 March 2021
Prepaid Expenses	0.17	0.35
Prepaid Rates & Taxes	0.10	0.13
Service Tax Receivable	6.71	6.71
Unamortized Brokerage	0.06	1.43
Others	90.31	3.43
<b>TOTAL</b>	<b>97.36</b>	<b>12.06</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

## Note - 9 : Property, Plant & Equipments

	Furniture & Fittings	Motor Vehicle	Office Equipment	Computer	Air Conditioner	Refrigerator	Electrical Equipment	Cellular Phone	TOTAL
<b>Gross block</b>									
Balance as at 1st April 2020	1.48	25.35	0.87	0.71	1.94	0.16	0.70	1.51	32.73
Additions	0.00	9.67	0.50	0.00	0.00	0.00	0.00	0.00	10.17
Disposals	0.00	1.78	0.47	0.00	0.00	0.00	0.00	0.00	2.25
Balance as at 31st March 2021	1.48	33.24	0.90	0.71	1.94	0.16	0.70	1.51	40.65
Balance as at 1st April 2021	1.48	33.24	0.90	0.71	1.94	0.16	0.70	1.51	40.65
Additions	0.00	35.34	0.00	0.00	0.00	0.00	0.00	0.00	35.34
Disposals	0.00	18.68	0.00	0.00	0.00	0.00	0.00	0.00	18.68
Balance as at 31st March 2022	1.48	49.89	0.90	0.71	1.94	0.16	0.70	1.51	57.30
<b>Depreciation</b>									
Balance as at 1st April 2020	0.64	13.36	0.40	0.26	0.92	0.08	0.28	0.77	16.70
Depreciation charge for the year	0.20	4.50	0.22	0.05	0.25	0.02	0.09	0.27	5.59
Disposals	0.00	0.64	0.45	0.00	0.00	0.00	0.00	0.00	1.09
Balance as at 31st March 2021	0.84	17.21	0.17	0.31	1.16	0.11	0.37	1.03	21.20
Balance as at 1st April 2021	0.84	17.21	0.17	0.31	1.16	0.11	0.37	1.03	21.20
Depreciation charge for the year	0.14	7.77	0.24	0.02	0.16	0.01	0.07	0.13	8.53
Disposals	0.00	13.83	0.00	0.00	0.00	0.00	0.00	0.00	13.83
Balance as at 31st March 2022	0.98	11.15	0.42	0.33	1.32	0.12	0.43	1.16	15.91
<b>Carrying value</b>									
As at 31 March 2021	0.64	16.02	0.73	0.39	0.78	0.06	0.34	0.48	19.44
As at 31 March 2022	0.50	38.74	0.49	0.38	0.62	0.05	0.27	0.35	41.40

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 11 : Borrowings (other than debt securities)

	As at 31 March 2022			As at 31 March 2021		
	At fair value through profit or loss	At amortised cost	Total	At fair value through profit or loss	At amortised cost	Total
Loan from Related Parties (on demand) (unsecured)	0.00	70.90	70.90	0.00	69.01	69.01
Loan from Director's Relative (Unsecured)	0.00	0.00	0.00	0.00	0.00	0.00
	<b>0.00</b>	<b>70.90</b>	<b>70.90</b>	<b>0.00</b>	<b>69.01</b>	<b>69.01</b>
Borrowings in India	0.00	70.90	70.90	0.00	69.01	69.01
Borrowings outside India	0.00	0.00	0.00	0.00	0.00	0.00
	<b>0.00</b>	<b>70.90</b>	<b>70.90</b>	<b>0.00</b>	<b>69.01</b>	<b>69.01</b>

\* Overdraft from Banks are secured by Hypothecation of Fixed Deposits given by third party.

	As at 31st March, 2022	As at 31st March, 2021
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### Note - 12 : Other Financial Liabilities

Security Deposit	0.00	0.11
Liabilities for Expenses	5.65	3.02
Options Outstanding A/c	1.08	0.00
Others	0.01	0.00
	<b>6.74</b>	<b>3.13</b>

### Note - 13 : Other Non - Financial Liabilities

Advance from Customers	0.31	1.84
Statutory Dues	17.37	6.04
	<b>17.68</b>	<b>7.88</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 14 : Equity Share Capital

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
<b>Authorized share capital</b>				
Equity shares of ₹ 10 each	6,250,000	625.00	6,250,000	625.00
<b>TOTAL</b>	<b>6,250,000</b>	<b>625.00</b>	<b>6,250,000</b>	<b>625.00</b>
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹ 10 each	4,250,000	425.00	4,250,000	425.00
<b>TOTAL</b>	<b>4,250,000</b>	<b>425.00</b>	<b>4,250,000</b>	<b>425.00</b>

### (a) Reconciliation of equity share capital

	As at 31 March 2022		As at 31 March 2021	
<b>Equity Shares</b>				
Balance at the beginning of the year	4,250,000	425.00	4,250,000	425.00
Add: Shares issued during the year	0	0.00	0	0.00
<b>Balance at the end of the year</b>	<b>4,250,000</b>	<b>425.00</b>	<b>4,250,000</b>	<b>425.00</b>

### (b) Terms/Rights attached to Equity shares:

#### 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.

### (c) Details of shareholders holding more than 5% shares in the Company:

	As at 31 March 2022		As at 31 March 2021	
	Number	%	Number	%
KIT COMMERCIAL (P) LTD	322,700	7.59%	322,700	7.59%
BASERA ABASAN LLP	340,577	8.01%	294,383	6.93%
SHREE SECURITIES	315,700	7.43%	315,700	7.43%
MAHANT VANIJYA (P) LTD.	800,429	18.83%	800,429	18.83%
SANJAY KUMAR GUPTA	324,850	7.64%	306,050	7.20%
SHREYA GUPTA	371,277	8.74%	371,277	8.74%

(d) No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five years.

### (e) Details of shares held by promoters at the end of the period

<u>Class of shares / Name of shareholder</u>	As at 31st March, 2022		As at 31st March, 2021		% Change
	Number	% age	Number	% age	
KIT COMMERCIAL (P) LTD	322,700	7.59%	322,700	7.59%	0.00%
BASERA ABASAN LLP	340,577	8.01%	294,383	6.93%	1.09%
SHREE SECURITIES	315,700	7.43%	315,700	7.43%	0.00%
MAHANT VANIJYA (P) LTD.	800,429	18.83%	800,429	18.83%	0.00%
SANJAY KUMAR GUPTA	324,850	7.64%	306,050	7.20%	0.44%
SHREYA GUPTA	371,277	8.74%	371,277	8.74%	0.00%
NAMAN BARTER PVT LTD	172,800	4.07%	172,800	4.07%	0.00%
PRAGMA ESTATES LLP	190,000	4.47%	190,000	4.47%	0.00%
SAHARSH ESTATES LLP	125,000	2.94%	0	0.00%	2.94%
GAYATRI GUPTA	0	0.00%	18,800	0.44%	-0.44%
KRISHNA KANT JHA	0	0.00%	46,194	1.09%	-1.09%

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 15 : Other Equity

<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
Statutory Reserve	375.85	362.26
Security Premium Reserve	251.38	251.38
Retained Earnings	1,562.23	1,507.88
Other comprehensive income	89.66	46.08
<b>TOTAL</b>	<b>2,279.12</b>	<b>2,167.59</b>

#### (a) Description of nature and purpose of each reserve:

##### Statutory reserve

The Company is required to create a reserve in accordance with the provisions of Section 45IC of the Reserve Bank of India Act, 1934. Accordingly 20% of the profits after tax for the year is transferred to this reserve at the end of every reporting period.

##### Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium.

##### Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserves, dividends and other distributions made to the shareholders.

##### Other comprehensive income

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off, if any.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 16 : Interest Income

Year ended 31 March 2022				
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
<b>(a) Financials assets</b>				
Interest on loans	0.00	219.94	0.00	219.94
Interest on deposit with bank	0.00	5.61	0.00	5.61
<b>TOTAL</b>	<b>0.00</b>	<b>225.55</b>	<b>0.00</b>	<b>225.55</b>
Year ended 31 March 2021				
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
<b>(a) Financials assets</b>				
Interest on loans	0.00	216.11	0.00	216.11
Interest on deposit with bank	0.00	1.78	0.00	1.78
<b>TOTAL</b>	<b>0.00</b>	<b>217.89</b>	<b>0.00</b>	<b>217.89</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

<u>Particulars</u>	<u>For the year ended 31st March, 2022 (₹)</u>	<u>For the year ended 31st March, 2021 (₹)</u>
<b>Note - 17 : Dividend Income</b>		
Dividend income on investments	9.17	4.70
<b>TOTAL</b>	<b>9.17</b>	<b>4.70</b>
<b>Note - 18 : Net Gain/ (Loss) on Fair Value Changes</b>		
(a) Net gain/(loss) on financial instruments at fair value through profit or loss		
Mutual fund	29.72	78.53
Exchange Traded Fund	2.05	3.56
Debenture	(0.10)	0.11
<b>TOTAL</b>	<b>31.66907</b>	<b>82.21</b>
<b>Fair value changes:</b>		
- Realised	0.75	57.41
- Unrealised	30.92	24.79
<b>TOTAL</b>	<b>31.66907</b>	<b>82.21</b>
<b>Note - 19 : Other Income</b>		
Bad Debts Recovered	8.72	1.66
Miscellaneous Income	0.79	3.07
Income from F & O	23.97	0.00
Profit on Sale of Fixed Assets	5.52	1.19
Interest on I T Refund	0.00	0.51
<b>TOTAL</b>	<b>39.00</b>	<b>6.44</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

<u>Particulars</u>	Year ended 31 March 2022			Year ended 31 March 2021		
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total
<b>Note - 20 : Finance Costs:</b>						
- Interest expenses on bank loan	0.00	0.25	0.25	0.00	0.08	0.08
- Interest expenses on other loans	0.00	2.10	2.10	0.00	5.83	5.83
<b>TOTAL</b>	<b>0.00</b>	<b>2.35</b>	<b>2.35</b>	<b>0.00</b>	<b>5.91</b>	<b>5.91</b>

### Note - 21 : Impairment on Financial Instruments

<u>Particulars</u>	Year ended 31 March 2022			Year ended 31 March 2021		
	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Total	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Total
Contingent provision towards standard assets / (reversal)	0.00	14.20	14.20	0.00	34.29	34.29
<b>TOTAL</b>	<b>0.00</b>	<b>14.20</b>	<b>14.20</b>	<b>0.00</b>	<b>34.29</b>	<b>34.29</b>

The provision for expected credit loss has been made as per the Reserve Bank of India's prudential norms.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

<u>Particulars</u>	<u>For the year ended March 31, 2022 (₹)</u>	<u>For the year ended March 31, 2021 (₹)</u>
<b>Note - 22 : Employee Benefit Expenses</b>		
Salaries and wages (including Managerial Remuneration)	158.98	123.56
ESI	0.35	0.26
Staff welfare expenses	3.98	3.53
<b>TOTAL</b>	<b>163.30</b>	<b>127.35</b>
<b>Note - 23 : Depreciation</b>		
Depreciation on property, plant and equipment (refer note 10)	8.53	5.59
<b>TOTAL</b>	<b>8.53</b>	<b>5.59</b>
<b>Note - 24 : Other Expenses</b>		
Electricity Charges	2.32	3.52
Rent	0.00	1.27
Repairs and Maintenance - Others	2.85	3.25
Insurance	1.00	1.00
Advertisement	0.92	0.47
Rates and Taxes	0.07	0.14
Telephone Charges	1.02	1.11
Travelling and Conveyance	0.96	1.03
Printing and Stationery	0.42	0.95
Commission & Brokerage	1.37	8.38
Business Promotion	0.56	0.14
Vehicle Running & Maintenance Expenses	2.83	2.71
Legal and Professional	3.40	3.41
Loss from Futures & Options	0.00	58.61
Miscellaneous Expenses	7.55	13.14
<u>Payments to Auditors</u>		
- As Auditors - Statutory Audit	1.77	1.77
- For Internal Audit	0.30	0.30
- For Secretarial Audit	0.94	0.89
<b>TOTAL</b>	<b>28.27</b>	<b>102.08</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

<u>Particulars</u>	For the year ended March 31, 2022 (₹)	For the year ended March 31, 2021 (₹)
<b>Note - 25 : Tax expense</b>		
Current tax	16.22	6.94
Deferred tax	4.58	1.62
<b>TOTAL</b>	<b>20.80</b>	<b>8.56</b>

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 25.17% and 25.17% for financial year ended 31 March 2022 and 31 March 2021 respectively and the reported tax expense in profit or loss are as follows:

**(a) Reconciliation of income tax provision to the amount  
computed by applying the statutory tax rate:**

Profit before tax	88.73	36.01
Enacted tax rates in India (%)	25.17%	25.17%
Computed tax expense	22.33	9.06
Others	(1.53)	(0.51)
<b>Total income tax expense as per the statement of profit and loss</b>	<b>20.80</b>	<b>8.56</b>

**(b) Details of income tax balances**

**Current tax liabilities:**

Opening balance	0.00	0.00
Less: Self Assessment Tax paid	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

**Current tax assets:**

Opening balance	20.14	24.22
Add: TDS Receivable & Advance Tax	(28.15)	(119.37)
Less: Provsion for Taxation	30.29	115.30
<b>TOTAL</b>	<b>22.28182</b>	<b>20.14</b>

**Note - 26 : Earnings per share (EPS)**

Net profit attributable to equity shareholders		
Net profit attributable to equity shareholders (in ₹ lakhs)	67.94	29.66
Nominal value of equity share (₹)	10.00	10.00
Weighted average number of equity shares outstanding	4,250,000	4,250,000
<b>Basic earnings per share (₹)</b>	<b>1.60</b>	<b>0.70</b>
<b>Diluted earnings per share (₹)</b>	<b>1.60</b>	<b>0.70</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 27(a) : Related Party Disclosures

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31 March 2022

#### (i) Key managerial personnel ('KMP')

<u>Name of the related party</u>	<u>Designation</u>
(a) Mr. Sanjay Kumar Gupta	`- Whole Time Director & Company Secretary
(b) Mr. Alope Kumar Gupta	`- Director & CFO
(c) Miss Swati Sharma	`- Company Secretary (Since Left)

#### (ii) Relative of key managerial personnel ('KMP')

<u>Name of the related party</u>	<u>Nature</u>
(a) Mrs. Gayatri Gupta (Deceased on 09.05.2021)	Director's Mother
(b) Mrs. Shreya Gupta	Director's Wife
(c) S K Gupta HUF	Director is Karta

#### (iii) Enterprises over which KMP or relatives of KMP exercise control/significant influence:

<u>Name of the related party</u>
(a) Ipsa Credit Private Limited
(b) Kit Commercial Private Limited
(c) Mahant Vanijya Private Limited
(d) Naman Barter Private Limited
(e) Olympia Credits & Mercantile Private Limited

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 27(b) : Transactions during the year with Related parties

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<u>Director Remuneration (KMP)</u>	145.20	105.60
<u>Interest Expenses</u>	2.10	5.83
<u>Interest Income</u>	19.85	2.91
<u>Loan Given</u>	3,452.31	1,561.27
<u>Loan Repayment Received</u>	3,485.86	1,431.41
<u>Loan Taken</u>	688.00	1,117.39
<u>Loan Repaid</u>	688.00	1,302.20
<u>Rent Paid</u>	0.00	1.27
<u>Salary Expenses</u>	2.63	3.75
<u>Balances with related parties at year end</u>		
(i)Year end receivable (Loan given and interest accrued)	118.75	134.41
(ii)Year end Payable (Loan Taken and interest	70.90	69.01
(iii)Expense Payable	0.00	1.94

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 27(c) : Related Party Disclosures on Loans and Advances as per Revised Schedule III

Disclosures regarding Loans and Advances Granted to Promoters, Directors, KMPs & Related Parties as required by Division III, Schedule III of The Companies Act, 2013 as revised on 24th March, 2021.

#### Names of Borrowers for the below mentioned classification whose Balance was outstanding as on 31.03.2022.

(i) Promoters - NIL

(ii) Directors - NIL

(iii) KMPs - NIL

(iv) Related Parties

#### Enterprises over which KMP or relatives of KMP exercise control/significant influence:

(a) Naman Barter Private Limited

(b) Olympia Credits & Mercantile Private Limited

<u>Type of Borrower</u>	<u>Amount of Loan or Advance in the Nature of Loan Outstanding as on 31.03.2022</u>	<u>Percentage of Total Loans or Advances in the Nature of Loan Outstanding as on 31.03.2022</u>
Promoters	0.00	0.00%
Directors	0.00	0.00%
KMPs	0.00	0.00%
Related Parties	118.75	8.77%

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## **NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts in ₹ lacs, unless otherwise stated)

### **NOTE - 28 : Other Disclosures**

#### **28 (a) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company is in a single business segment (primary segment) of giving loans and making investments. The entire revenues are billable within India and there is only one geographical segment (secondary segment).

#### **28 (b) Contingent Liabilities :**

- A Search & Seizure operation was conducted by the Service Tax Department on 19.07.2006 and subsequently the Service Tax Commissionerate raised a demand of Service Tax including Education Cess amounting to ₹ 26.81 Lakhs (as at 31.03.21 Rs. 26.81 lakhs) 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.

- There were 3 (Three) open Option Contracts in Derivative Segments at the Balance Sheet Date. The net credit balance of ₹ 1,08,042.56 on those contracts have been shown in Options Outstanding A/c under Other Financial Liabilities.

#### **28(c) Impact of CORONAVIRUS (COVID-19) on Financial Reporting- Accounting year ended 31st March, 2021**

COVID-19, a global pandemic has affected the world economy including India, leading to significant decline and volatility in financial markets and decline in economic activities. The state lockdown announced on 15th May, 2021 affected activities of organizations across the economic ecosystem, impacting earning prospects and valuations of companies and creating huge volatility in the stock markets. As a result, the Company's business is likely to be impacted by lower lending opportunities and decline in carrying value of investments, thereby impacting profitability. The impact of COVID-19 on Company's business remain uncertain and dependent on extent of spread of the pandemic, steps taken by the Government and central bank to mitigate the economic impact, steps taken by the Company and its Investee Companies and the time it takes for economic activities to resume at normal levels.

The Company is abiding with all the rules and regulations as being instructed time to time from various statues governing the Company i.e. The Reserve Bank of India, The Ministry of Corporate Affairs etc. with respect to the on going pandemic COVID - 19. The Company is positive in its approach to pass on the benefits to its customers as and when declared by the statues governing it in this regard.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

The stock exchanges, banks and financial institutions were permitted to function during the state lockdown and correspondingly the lending and investment activities of the Company remained operational. The Company's capital and liquidity position remains strong and would continue to be the focus area for the Management. There have been no significant changes to the Company's internal financial control other than providing remote access to some of its key employees during the lockdown to enable them to work from home.

Based on the current assessment of the potential impact of the COVID-19 on the Company, management is of the view that the Company is well capitalized with low leverage, widely diversified in terms of its lending and investment activities and has adequate liquidity to service its obligations, sustain its operations and also look at any appropriate investment/lending opportunities.

The Company has maintained adequate provisions on loan assets based on the information available at this point of time including economic forecasts. The extent to which the current pandemic will impact the carrying value of investments and loan receivables is dependent on the future developments, which are highly uncertain at this point in time. The Company believes that it has considered all the possible impact of known events arising out of COVID 19 pandemic in the preparation of these financial results. The impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to closely monitor for any material changes to future economic conditions.

### 28 (d) Disclosures of various Ratios as required by Division III, Schedule III of The Companies Act, 2013 as revised on 24th March, 2021.

#### (i) Capital to Risk-Weighted Assets Ratio (CRAR)

##### - Capital - Tier I

Paid up Equity Share Capital	425.00
Add : Share Premium Reserve	251.38
Add : Statutory Reserves u/s 45 IA of RBI Act	375.85
Add : Credit Balance in P&L Account (Including Other Comprehensive Income)	1620.97
	<hr/>
	2673.20
Less : Deferred Tax Assets	6.02
	<hr/>
	<b>2667.18</b>

##### - Capital - Tier II

General provisions and loss reserves including Provisions for Standard Assets (to the extent not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of 1.25% of RWA)	<hr/>
	<b>85.70</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### - Risk Weighted Assets

	Book Value	% Weight	Weighted Risk Assets
(a) Cash and cash equivalents	181.62	0%	0.00
(b) Other bank balances	95.52	0%	0.00
(c) Loans	1268.90	100%	1268.90
(d) Investments	963.68	100%	963.68
(e) Other Financial Assets	122.65	100%	122.65
(f) Current tax assets (Net)	22.28	0%	0.00
(g) Deferred tax assets (Net)	6.02	0%	0.00
(h) Property, plant and equipment	41.40	100%	41.40
(i) Other non-financial assets	97.36	100%	97.36
	<u>2799.43</u>		<u>2493.98</u>

### - Capital To Risk Weighted Assets Ratio (CRAR)

(a) Capital - Tier I	2667.18
(b) Add: Capital - Tier II	85.70
	<u>2752.88</u>
(c) Divide : Risk Weighted Assets	2493.98
	<u>1.10</u>

### (ii) Liquidity Coverage Ratio

<u>Particulars</u>	<u>Total Unweighted Value (Average)</u>	<u>Total Weighted Value (Average)</u>	<u>Figure for Ratio Computation</u>
(A) <u>High Quality Liquid Assets</u>			
<u>Components of HQLA</u>			
- Cash		181.62	
- Balance with Banks		95.52	
<b>TOTAL HIGH QUALITY LIQUID ASSETS</b>		<u>277.14</u>	(a) 277.14
(B) <u>Cash Outflows in the immediate succeeding 30 Days</u>			
Loan Repayable on Demand	70.90	81.53	
<b>TOTAL CASH OUTFLOWS</b>	<u>70.90</u>	<u>81.53</u>	
<b>75% of Total Weighted Value(Average) of Cash Outflows</b>			(b) 61.15
(C) <u>Cash Inflows in the immediate succeeding 30 Days</u>			
EMI Due of Vehicle Loans	1.73	1.30	
<b>TOTAL CASH INFLOWS</b>	<u>1.73</u>	<u>1.30</u>	
<b>Minimum of Total Cash Inflow &amp; 75% of Total Weighted Value (Average) of Cash Outflows</b>			(c) 1.30

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

(D) **Net Cash Outflows**

**Total Weighted Value (Average) Cash Outflow Less Minimum of Total  
Cash Inflow & 75% of Total Weighted Value (Average) Cash Outflows**

(d) **80.23**

(E) **Liquidity Coverage Ratio**

- High Quality Liquid Assets ( = a)

277.14

- Divide : Net Cash Flows ( = d)

80.23

(e) **345.43%**

28 (e) No proceedings have been initiated or is pending against the Company fold holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

28 (f) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.

28 (g) The Company does not have any transactions with companies struck off under section 248 of the companies Act, 2013 as on the Balance Sheet date.

28 (h) To the best of the knowledge and belief of the management, as on the date of balance sheet, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

28 (i) To the best of the knowledge and belief of the management, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

28 (j) The Company has availed Cash Credit Facility from Tata Capital Financial Services Limited. The facility is secured against Company's investment in Shares. The Balance Outstanding with respect to such facility at the end of the Financial Year was ` NIL. The Charge in respect of such facility is duly registered with registrar of Companies (Kolkata) vide Charge ID 10515239.

28 (k) Balance Confirmation from various parties are still awaited as on Balance Sheet date.

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

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### **NOTE - 29 :**

#### **29 (a) Fair value measurement**

##### **(i) Category wise classification of financial instruments**

Particulars	As at 31-Mar-22	As at 31-Mar-21
<b>A. <u>Financial assets:</u></b>		
<b><u>Carried at amortised cost</u></b>		
Cash and cash equivalents	181.62	574.74
Other Bank Balance	95.52	94.61
Loans	1,268.90	1,534.52
Investments	0.00	0.00
Other financial assets	122.65	107.05
<b>TOTAL</b>	<b>1,668.70</b>	<b>2,310.92</b>
<b><u>Carried at FVTPL</u></b>		
Investments	322.70	104.61
<b>TOTAL</b>	<b>322.70</b>	<b>104.61</b>
<b><u>Carried at FVTOCI</u></b>		
Investments	640.97	189.41
<b>TOTAL</b>	<b>640.97</b>	<b>189.41</b>
<b>TOTAL</b>	<b>2,632.37</b>	<b>2,604.94</b>
<b>B. <u>Financial liabilities</u></b>		
<b><u>Measured at amortised cost</u></b>		
Borrowings	70.90	69.01
Other financial liabilities	6.74	3.13
<b>TOTAL</b>	<b>77.63</b>	<b>72.13</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### (II) Fair value hierarchy

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation sale. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into two categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

Particulars	As at 31-Mar-22	As at 31-Mar-21
<b><u>Level 1 (Quoted prices in active market)</u></b>		
<b><u>Financial assets measured at FVTOCI</u></b>		
Investments in quoted equity instruments	640.97	187.89
Investments in preference instruments	0.00	1.52
<b><u>Financial assets measured at FVTPL</u></b>		
Investments in mutual funds	300.79	88.32
Investments in exchange traded fund	19.25	13.52
Investments in debentures	2.66	2.76
<b><u>Level 3 (Significant unobservable inputs)</u></b>		
<b><u>Financial assets measured at FVTOCI</u></b>		
Investments in unquoted equity instruments	0.00	0.00
<b>TOTAL</b>	<b>963.68</b>	<b>294.01</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### (III) Fair value of assets and liabilities measured at cost/amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, bank deposits, loans, trade receivables, and other financial liabilities

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying Value	Fair value	Carrying Value	Fair value
<b><u>Financial assets:</u></b>				
Cash and cash equivalents	181.62	181.62	574.74	574.74
Other Bank Balance	95.52	95.52	94.61	94.61
Loans	1,268.90	1,268.90	1,534.52	1,534.52
Investments	0.00	0.00	0.00	0.00
Other financial assets	122.65	122.65	107.05	107.05
<b><u>Financial liabilities</u></b>				
Borrowings	70.90	70.90	69.01	69.01
Other financial liabilities	6.74	6.74	3.13	3.13

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### 29 (b) Maturity Analysis of assets and liabilities

Particulars	As at 31 March 2022		As at 31 March 2021	
	< 12 months	>12months	< 12 months	>12months
<b><u>ASSETS</u></b>				
<b><u>Financial Assets</u></b>				
Cash and cash equivalents	181.62	0.00	574.74	0.00
Other bank balances	95.52	0.00	94.61	0.00
Loans	1,230.58	38.32	1,496.95	37.57
Investments	0.00	963.68	0.00	294.01
Other Financial Assets	122.65	0.00	107.05	0.00
<b>Total Financial Assets</b>	<b>1,630.37</b>	<b>1,002.00</b>	<b>2,273.35</b>	<b>331.58</b>
<b><u>Non-financial Assets</u></b>				
Current tax assets (Net)	22.28	0.00	20.14	0.00
Deferred tax assets (Net)	6.02	0.00	16.03	0.00
Property, plant and equipment	0.00	41.40	0.00	19.44
Other non-financial assets	97.36	0.00	12.06	0.00
<b>Total Non Financial Assets</b>	<b>125.66</b>	<b>41.40</b>	<b>48.23</b>	<b>19.44</b>
<b>Total Assets</b>	<b>1,756.04</b>	<b>1,043.40</b>	<b>2,321.58</b>	<b>351.02</b>
<b><u>Liabilities</u></b>				
<b><u>Financial Liabilities</u></b>				
Borrowings (other than debt securities)	70.90	0.00	69.01	0.00
Other financial liabilities	6.74	0.00	3.13	0.00
<b>Total Financial Liabilities</b>	<b>77.63</b>	<b>0.00</b>	<b>72.13</b>	<b>0.00</b>
<b><u>Non-Financial Liabilities</u></b>				
Other non-financial liabilities	17.68	0.00	7.88	0.00
<b>Total Non Financial Liabilities</b>	<b>17.68</b>	<b>0.00</b>	<b>7.88</b>	<b>0.00</b>
<b>Total Liabilities</b>	<b>95.32</b>	<b>0.00</b>	<b>80.01</b>	<b>0.00</b>
<b><u>Net Equity</u></b>	<b>1,660.72</b>	<b>1,043.40</b>	<b>2,241.57</b>	<b>351.02</b>

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## **NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts in ₹ lacs, unless otherwise stated)

### **29 (c) Financial risk management**

The Company is a Non-Banking Financial Company registered with the Reserve Bank of India. On account of its business activities it is exposed to various financial risks associated with financials products such as credit or default risk, market risk, interest rate risk, liquidity risk and inflationary risk. However, the Company has a robust financial risk management system in place to identify, evaluate, manage and mitigate various risks associated with its financial products to ensure that desired financial objectives are met. The Company's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies, as approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Company's risk management objectives and policies needs prior approval of its Board of Directors.

#### **(I) Credit risk**

This risk is common to all investors who invest in bonds and debt instruments and it refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both. Similarly, a lender bears the risk that the borrower may default in the payment of contractual interest or principal on its debt obligations, or both. The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

#### **Financial instruments**

Risk concentration is minimized by investing in highly rated, investment grade bonds and debt instruments, particularly Government and PSU Bonds which has the least risk of default. The Company lends to borrowers with a good credit score . Investments and loans are reviewed by the Board of Directors on a regular basis.

#### **(II) Market risk:**

Market risk is a form of systematic risk associated with the day-to-day fluctuation in the market prices of shares and securities and such market risk affects all securities and investors in the same manner. These daily price fluctuations follows its own broad trends and cycles and are more news and transaction driven rather than fundamentals and many a times, it may affect the returns from an investment. Market risks majorly comprises of two types - interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risks include borrowings and investments.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### Interest rate risk

Interest rate risk is a type of systematic risk that particularly affects fixed rate debt instruments like bonds and debentures. The value of the fixed-rate debt instruments generally decline due to rise in interest rates and vice versa. The rationale is that a bond is a promise of a future stream of payments; an investor will offer less for a bond that pays-out at a rate lower than the rates offered in the current market. A rising interest rate scenario also affects the Company's interest expenditure on borrowed funds.

The Company monitors the interest rate scenarios on a regular basis and accordingly takes investments decisions as whether to invest in fixed rate debt instruments, shares and securities at a particular point of time. Further, the Company's borrowings are short-term in nature and carry a fixed rate of interest and the company is in a position to pass on the rise in interest rates to its borrowers. However, the borrowings of the Company are not significant to the financial statements.

### Borrowings

Particulars	As at 31-Mar-22	As at 31-Mar-21
Borrowings at variable interest rate	0.00	0.00
Borrowings at fixed interest rate	70.90	69.01
<b>Total Borrowings</b>	<b>70.90</b>	<b>69.01</b>
 <b>Percentage of borrowings at variable interest rate</b>	 <b>0.00</b>	 <b>0.00</b>

### Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds, mutual funds etc. The Company is exposed to price risk arising mainly from investments carried at fair value through FVTPL or FVOCI which are valued using quoted prices in active markets (level 1 investments). A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
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## **NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Carrying Value	
	31-Mar-22	31-Mar-21
Investments carried at FVTPL or FVOCI valued using quoted prices in active market	963.68	294.01

Particulars	Sensitivity analysis on total comprehensive income upon fluctuation of market prices	
	Inc. by 10%	Dec. by 10%
Impact on total comprehensive income for year ended 31 March 2022	96.37	(96.37)
Impact on total comprehensive income for year ended 31 March 2021	29.40	(29.40)

### (III) **Liquidity risk:**

Liquidity refers to the readiness of the Company to sell and realise its financial assets. Liquidity risk is one of the most critical risk factors for Companies which is into the business of investments in shares and securities. It is the risk of not being able to realise the true price of a financial asset, or is not being able to sell the financial asset at all because of non-availability of buyers. Unwillingness to lend or restricted lending by Banks and Financial Institutions may also lead to liquidity concerns for the entities.

The Company maintains a well-diversified portfolio of investments in shares and securities which are saleable at any given point of time. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities. The management ensures to manage its cash flows and asset liability patterns to ensure that the financial obligations are satisfied in timely manner.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,  
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## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis.

Particulars	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>As at 31 March 2022</b>				
Borrowings (other than debt securities)	70.90	0.00	0.00	70.90
Other financial liabilities	6.74	0.00	0.00	6.74
	<b>77.63</b>	<b>0.00</b>	<b>0.00</b>	<b>77.63</b>
<b>As at 31 March 2021</b>				
Borrowings (other than debt securities)	69.01	0.00	0.00	69.01
Other financial liabilities	3.13	0.00	0.00	3.13
	<b>72.13</b>	<b>0.00</b>	<b>0.00</b>	<b>72.13</b>

#### **(IV) Inflationary risk:**

Inflationary or purchasing power risk refers to the variation in investor returns caused by inflation. It is the risk that results in increase of the prices of goods and services which results in decrease of purchasing power of money, and likely negatively impact the value of investments. The two important sources of inflation are rising costs of production and excess demand for goods and services in relation to their supply. Inflation and interest rate risks are closely related as interest rates generally go up with inflation.

The Company closely monitors the inflation data and analyses the reasons for wide fluctuations thereof and its effect on various sectors and businesses. The main objective is to avoid inflationary risk and accordingly invest in securities and debt instruments that provides higher returns as compared to the inflation in long-term.

# PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

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CIN: L65921WB1986PLC040980

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lacs, unless otherwise stated)

### 29 (d) **Capital management**

For the purpose of Company's capital management, capital includes issued equity share capital, other equity reserves and borrowed capital less cash and cash equivalents. The primary objective of capital management is to maintain an efficient capital structure to reduce the cost of capital, support corporate expansion strategies and to maximize shareholder's value.

The entity manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the entity may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The entity monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The entity's policy is to keep an optimum gearing ratio. The entity includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Following table summarizes the capital structure of the Company.

Particulars	As at 31-Mar-22	As at 31-Mar-21
Borrowings	70.90	69.01
Less: Cash and cash equivalents	181.62	574.74
<b>Adjusted net debt</b>	<b>(110.73)</b>	<b>(505.73)</b>
Total equity (*)	2,704.12	2,592.59
<b>Net debt to equity ratio</b>	<b>0.00</b>	<b>0.00</b>

(\*) Equity includes capital and all reserves of the Company that are managed as capital.

**In Terms of our report of even date**  
**For, AGARWAL MAHESWARI & CO.**  
**Chartered Accountants**

Sd/-

**[CA. APURVA MAHESWARI]**

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

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

Dated : The 12th day of May, 2022

**For and on behalf of the Board**

Sd/-

**SANJAY KUMAR GUPTA**

**DIN : 00213467**

Sd/-

**ALOKE KUMAR GUPTA**

**DIN : 00825331**

Sd/-

**SHREYA GUPTA**

**DIN : 00333208**



<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		640.97
	(b) Preference		0.00
(ii) Debentures and Bonds			2.66
(iii) Units of Mutual funds			320.05
(iv) Government Securities		NIL	
(v) Others ( Please Specify)		NIL	
2. Unquoted :			
(i) Shares :	(a) Equity		0.00
	(b) Preference		
(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	118.46	118.46
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	149.59	1,123.51	1,273.10
<b>Total</b>	<b>149.59</b>	<b>1,241.96</b>	<b>1,391.55</b>

<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b> 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	963.68	963.68
Total	963.68	963.68
<b>(7) Other Information</b>		
Particulars	Amount	
( i ) Gross Non-Performing Assets		
(a) Related parties	NIL	
(b) Other than related parties	133.43	
( ii ) Net Non-Performing Assets		
(a) Related parties	NIL	
(b) Other than related parties	50.95	
( 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

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

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

Dated : The 12th day of May, 2022

Notes :

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

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

Sd/-  
**SANJAY KUMAR GUPTA**  
DIN : 00213467

Sd/-  
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