

ANNUAL REPORT

2023-2024



**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	Chairman, Executive Director and Company Secretary
Mr. Alope Kumar Gupta	Executive Director and Chief Financial Officer
Mrs. Anny Jain	Independent Director
Mrs. Parul Surana	Independent Director
Mr. Anshul Goenka	Independent Director

AUDITORS :

M/s. Mandawewala & Co.
Chartered Accountants
1, British Indian Street,
1st Floor, Suite # 110D
Kolkata - 700 069 (W.B.)

Registrar & Share Transfer Agent :

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

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

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

Website : www.paragonfinanceltd.com



NOTICE

NOTICE is hereby given that the Thirty-Eighth Annual General Meeting of the Members of the Company "Paragon Finance Limited" on Wednesday, the 25th day of September, 2024 at 10:45 A.M. through Video- Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the year ended on 31st March, 2024, together with the Reports of the Directors and the Auditors Report thereon and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT the Audited Standalone Financial Statements including Balance Sheet of the Company as at March 31, 2024, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Directors' and Auditors' Reports thereon, placed before the meeting, be and are hereby considered and adopted."

- 2. To appoint an Executive director in place of Mr. Alope Kumar Gupta (DIN: 00825331), Director who retires by rotation at this meeting and being eligible, offers himself for re-appointment as an Executive Director of the Company and in this regard, to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Alope Kumar Gupta (DIN: 00825331), Executive Director of the Company who retires by rotation at this meeting, and being eligible, has offered himself for re-appointment, be and is hereby reappointed as a Executive Director of the Company, liable to retire by rotation."

By and on behalf of the Board

Sd/-

SANJAY KUMAR GUPTA

Company Secretary

Membership No.: F6943

Date - 27.08.2024

Place - Kolkata



NOTES:

1. Ministry of Corporate Affairs (“MCA”) vide its General Circular Nos.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 05, 2020, Circular No.02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023 (“MCA Circulars”) has permitted to conduct the Annual General Meeting through video conferencing (“VC”) or other audio-visual means (“OAVM”) up to September 30, 2024. In compliance with the aforesaid MCA Circulars, the 38th Annual General Meeting (“38th AGM” or “Meeting”) of the Members of the Company ‘Paragon Finance Limited’ will be held through VC/ OAVM, without the physical presence of the Members at a common venue. The deemed venue of the Meeting shall be the Registered Office of the Company at 4/1 Middleton Street, Sikkim House, 4th Floor, Kolkata 700 071.
2. A Member entitled to physically attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Since this 38th AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with in line with the MCA Circulars. Accordingly, the facility for appointment of proxies by the Members will not be available for this 38th AGM and hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the 38th AGM through VC / OAVM on its behalf and to vote through remote e-voting pursuant to Section 113 of the Companies Act, 2013 (“the Act”). The said resolution/ authorization shall be sent by registered email address to the Scrutinizer at mayur@alpassociates.in and evoting@nsdl.com latest by 10:45 a.m., 23rd September, 2024.
4. The brief details of the directors, who is being appointed/re-appointed, at this 38th AGM are annexed hereto as per the requirements of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended and the Secretarial Standards on General Meetings (‘SS-2’) issued by the Institute of Company Secretaries of India (‘ICSI’).
5. Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 19, 2024 to Wednesday, September 25, 2024 (both days inclusive) for the purpose of 38th AGM of the Company.
6. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.



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7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has appointed National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL
8. The Company will be providing the facility of live webcast of the proceedings of 38th AGM. Members can view the proceedings of the 38th AGM by logging on the website of NSDL at <https://eservices.nsdl.com> using their secure login credentials. The recorded transcript of the 38th AGM will be made available on the website of the Company at www.paragonfinanceltd.com
9. In terms of Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 34 and 36 of the Listing Regulations read with SEBI circular SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023, Companies can send Annual Reports and other communications through electronic mode. Physical copy of the Annual Report shall be sent to those Members who request for the same. Notice of the 38th AGM along with the Annual Report for F.Y. 2023-24 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Member who wishes to obtain hard copy of the Annual Report can send a request for the same at email ID - paragoncal@gmail.com mentioning Folio No/ DP ID and Client ID. Members may note that the Notice and Annual Report for F.Y.2023- 24 will also be available on the Company's website www.paragonfinanceltd.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of National Securities Depository Limited ('NSDL') at <https://www.evotingindia.com/>
10. Further, those Members who have not updated their email addresses in the Demat account/Folio may get their email address and mobile number registered with Company's Registrar and Transfer Agent, Niche Technologies Private Limited ("RTA") for receiving the Notice of 38th AGM and Annual Report along with the Login ID and Password by sending an email to the RTA at their email ID: nichetechpl@nicetechpl.com
11. Members attending the 38th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, September 20, 2024 being the Cutoff Date. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
13. For non-individual Member, who acquires shares of the Company and becomes a Member after dispatch of the Notice, but holds shares as on the Cut-off Date for remote e-voting i.e.



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Friday, September 20, 2024, may obtain the login Id and password by sending a request at <https://www.evotingindia.com/> or nichetechpl@nicetechpl.com

14. a) For Individual Member, who acquires shares of the Company and becomes a Member after dispatch of the Notice, but holds shares as on the Cut-off Date for remote e-voting i.e. Friday, September 20, 2024, holding shares in NSDL / CDSL should login through the websites of NSDL / CDSL and can cast the votes during remote e-voting period.

b) Members will be provided with the facility for voting through an electronic voting system during the VC/OAVM proceedings at the 38th AGM and Members participating at the 38th AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote during such proceedings of the 38th AGM. Members who have cast their vote by remote e-voting prior to the 38th AGM will also be eligible to participate at the 38th AGM but shall not be entitled to cast their vote again on such resolutions for which the Member has already cast the vote through remote e-Voting. For details on login method of e-voting please refer the instructions below under the head "Voting through electronic means".
15. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the 38th AGM.
16. The Company has been maintaining the Statutory Registers at its Registered Office at 4/1 Middleton Street, Sikkim House, 4th Floor, Kolkata 700 071. In accordance with the MCA Circulars, the Statutory Registers, and all relevant documents referred in this Notice will be made accessible for inspection and shall remain open and be accessible to any Member till the date of AGM. Members seeking to inspect such documents can send an e-mail at paragoncal@gmail.com.
17. The Board of Directors has appointed CA Mayur Agrawal of Geetanjali Apartments, 8B Middleton Street, 1st floor, Room No. 1B, Kolkata 700 071 as the Scrutinizer to scrutinize the remote e-voting process at the 38th AGM in a fair and transparent manner and he has consented to act as Scrutinizer.
18. SEBI vide its circulars dated May 17, 2023, November 17, 2023 and May 07 2024 has mandated shareholders holding securities in physical form to furnish PAN, KYC (i.e., Postal Address with Pin Code, mobile number, email address, choice of nomination bank account details, specimen signature) to avail any service request. Pursuant to the aforesaid SEBI Circulars, the Company has sent individual communications to all the Members holding shares of the Company in physical form. In case of physical shareholders who have not updated their KYC details may please submit Form ISR-1, Form ISR-2, and Form No. SH-13/ Form ISR-3. The link for downloading the forms is available on the Company's website www.paragonfinanceltd.com and RTA's website www.nichetechpl.com
19. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement;



Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission, Transposition and Name Change. Further, SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website www.paragonfinanceltd.com and RTA's website www.nichetechpl.com

20. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI. In this regard, the Members/legal heirs of deceased Members are also requested to open demat account simultaneously for dematerializing the shares to their demat account(s) after transmission of shares in their name by the RTA of the Company.
21. 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.
22. 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.
 - II. 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).
 - 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 Wednesday, 18th September, 2024. 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. Wednesday, 18th September, 2024, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

- VI. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- 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 Wednesday, 18th September, 2024, date only shall be entitled to avail the facility of remote e-voting.
- VIII. 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 forty-eight hours of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour 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.
- IX. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.paragonfinanceltd.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchange BSE Limited, where the shares of the company are listed.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Sunday, 22nd September, 2024 at 09:00 A.M. and ends on Tuesday, 24th of September, 2024 at 05:00 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. Wednesday, 18th of September, 2024 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 18th of September, 2024.

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 and joining virtual meeting 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:



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 data-bbox="703 315 1509 898">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ 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 “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<li data-bbox="703 898 1509 1066">2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<li data-bbox="703 1066 1509 1704">3. 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ 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 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 or joining virtual meeting & voting during the meeting.<li data-bbox="703 1704 1509 1868">4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.



	<p style="text-align: center;">NSDL Mobile App is available on</p> <p style="text-align: center;"> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;"></div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none">1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.



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 or joining virtual meeting & voting during the meeting.
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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 evoting@nsdl.com or call at 022 - 4886 7000
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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911



B) Login Method for e-Voting and joining virtual meeting for 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 :

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

5. 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.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com 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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting 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 and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.



6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. 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 with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.com

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

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), AADHAR (self attested scanned copy of Aadhar Card) by email to 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), AADHAR (self attested scanned copy of Aadhar Card) to 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 and joining virtual meeting for Individual shareholders holding securities in demat mode.**



3. Alternatively shareholder/members may send a request to evoting@nsdl.com 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.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email



id, mobile number at paragoncal@gmail.com. The same will be replied by the company suitably.

6. Members who would like to express their views/ask questions as a speaker at AGM shall pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, email ID and mobile number at paragoncal@gmail.com latest by 5.00 p.m. on Wednesday, 18th September, 2024. The facility for registration as a speaker shall remain open from 10:00 a.m. on 16th September, 2024 to 05:00 p.m. 18th September, 2024. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

By and on behalf of the Board

Sd/-

Sanjay Kumar Gupta

Company Secretary

Membership No.: F6943

Place: Kolkata

Date: 27.08.2024



DISCLOSURE PURSUANT TO PROVISION OF REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 AND SECRETARIAL STANDARD 2 ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name of Director	Mr. Alope Kumar Gupta
Date of Birth and Age	15.08.1959, Age- 65 years
Directors Identification Number (DIN)	00825331
Date of first appointment on the Board	21.08.1986
Nationality	Indian
Expertise in specific functional areas	More than 30 years of experience in Finance.
Profile of Director	Mr. Alope Kumar Gupta is a Commerce graduate having experience of more than 30 years in the fields of Finance, risk Assessment and General Management.
Qualifications	B.Com Graduate
Directorship held in other Listed companies	He is not a director in any other listed company
Membership/ Chairmanship of Committees of such companies	NA
Name of listed entities from which the person has resigned in the past three years	NA
Shareholdings in the Company including shareholding as a beneficial owner	NA
Disclosure of relationships between directors/ Key Managerial Personnel inter-se	He is the brother of Mr. Sanjay Kumar Gupta, Chairperson, Whole-time Director and Company Secretary.
Remuneration from the Company in the F.Y. 2023-24 and F.Y. 2024-25	FY 2023-24 66 lacs FY 2024-25 66 lacs
Terms and conditions of re-appointment/ appointment along with details of remuneration sought to be paid	As per the Agreement.
Number of Meetings of the Board attended during the F.Y. 2023-24 and F.Y. 2024-25	2023-24 – Attended 6 out of 13 meetings 2024-25 – Attended 3 out of 3 meetings



DIRECTORS' REPORT

To the Members of Paragon Finance Limited

Dear Members,

The Board of Directors hereby presents the 38th Annual Report on the business and operations of your Company for the year ended 31st March, 2024.

FINANCIAL RESULTS		(Rs. in Lakhs)	
Particulars	2023-24	2022-23	
Total Income	363.24	182.61	
Gross Profit	363.24	182.61	
Less: Interest	3.30	2.76	
Less: other expenses	236.54	203.82	
Cash profit	123.4	(23.97)	
Less: Depreciation	11.00	14.91	
Less: Other non cash expenses	8.19	(29.24)	
Profit/loss before tax	104.22	(9.64)	
Less: Prov for tax	0.00	0.00	
Less: Transfer from prov. For deferred tax	18.32	3.42	
Add: Tax of earlier Year	0.00	0.00	
Profit after tax	85.90	(13.06)	
Add: Other comprehensive Income	222.61	(23.52)	
Total Comprehensive Income	308.51	(36.58)	
Add: Profit b/f	1615.37	1651.89	
Profit available for appropriation	1701.27	1638.83	
Less: Transfer to statutory reserves	17.18	0.00	
Add: Fair Value Gain through OCI	247.94	(27.76)	
Less: Tax Impact of Fair Value Gain through OCI	-25.33	4.24	
Balance credited to balance sheet	1906.7	1615.32	
Reserve excl. revaluation reserve	644.40	627.22	

DIVIDEND

The Board has not recommended any dividend for the year.

STATE OF THE COMPANY'S AFFAIRS

'Paragon Finance Limited' is a company engaged in the business of providing loans against hypothecation of vehicles.



The Income from Operation for the Financial year 2023-24 was Rs. 363.24 Lakhs which is significantly higher than the Income from operations of Rs.182.61 in 2022- 23. The Shareholders Funds as on 31.03.2024 were Rs. 2976.10 Lakhs reflecting the inherent financial strength of the Company.

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) and guidelines and circulars issued by the Reserve Bank of India from time to time. 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 'NBFC - Investment and Credit Company (NBFCICC)' within the overall classification of 'Non-Banking Financial Institution'.

Pursuant to the "Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India (RBI) on October 19, 2023, the Company falls under the category of NBFCs - Base Layer (NBFC - BL) entity.

PROMOTERS' GROUP SHAREHOLDING

As on March 31, 2024, the total shareholding of the Promoters' Group of your Company is 72.79 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.

Pursuant to the Share Purchase Agreement dated 25th July, 2024 entered into by some of the Promoters and the Promoter group of the Company, 51.47 % shares of the Company will be transferred to the Acquirer (Apple Equifin Pvt. Ltd) acting along with Persons acting in Concert (GKML Software Pvt. Ltd and Sunkesula Infra LLP), subject to approval of SEBI and No Objection Certificate of RBI. The acquirer along with PAC have given an Open Offer of 26% to the Public Shareholders on 25.07.2024, a copy of which is available on the website of BSE. The Detailed Public Statement was submitted to BSE and SEBI on 01.08.2024 and the Draft Letter of Offer was submitted on 08.08.2024.

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, 13 (Thirteen) number of Board meetings were held as on 19.04.2023, 29.05.2023, 19.06.2023, 11.08.2023, 21.08.2023, 29.08.2023, 01.09.2023, 27.09.2023, 06.11.2023, 30.11.2023, 02.01.2024, 31.01.2024 and 07.02.2024. The other details have already been mentioned in the Corporate Governance Report which forms a part of this Annual report.

COMMITTEES OF BOARD

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

1. Audit Committee

Sl. No.	Name	DIN	Chairman/ Members
1	Mrs. Anny Jain	06850978	Chairperson
2	Mrs. Parul Surana	06948926	Member
3	Mr. Sanjay Kumar Gupta	00213467	Member

During the year, the Committee had met on 29.05.2023, 11.08.2023, 06.11.2023 and 07.02.2024

2. Nomination & Remuneration Committee

Sl. No.	Name	DIN	Chairman/ Members
1	Mrs. Anny Jain	06850978	Chairperson
2	Mrs. Parul Surana	06948926	Member
3	Mr. Sanjay Kumar Gupta	00213467	Member

During the year, the Committee had met on 23.08.2023 and 09.02.2024

3. Stakeholders Relationship Committee

Sl. No.	Name	DIN	Chairman/ Members
1	Mrs. Anny Jain	06850978	Chairperson
2	Mr. Sanjay Kumar Gupta	00213467	Member
3	Mr. Alope Kumar Gupta	00825331	Member

During the year, the Committee had met on 12.06.2023

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.

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, 2024 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

Mr. Anshul Goenka was appointed on the Board as an Independent Director who was approved by the members at the Annual General meeting held on 29.09.2023.

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

Pursuant to approval of shareholders at the Annual General Meeting held on 27.09.2023, Mr. Sanjay Kumar Gupta was appointed as the Chairperson of the Board and Mr. Alope Kumar Gupta became the Executive Director of the Company.

Mrs. Anny Jain was re-appointed as an Independent Director of the Board till 27.09.2027.

The Current Composition of the Board is an optimum mix of Executive and Non-executive Directors. Mr. Sanjay Kumar Gupta is the Chairperson and Whole-time Director of the Company. Mr. Alope Kumar Gupta is also the Executive Director. There are 3 Non-executive Independent Directors –



1. Mrs. Anny Jain
2. Mrs. Parul Surana
3. Mr. Anshul Goenka

Mr. Sanjay Kumar Gupta is the Company Secretary and Mr. Alope Kumar Gupta is the Chief Financial Officer of the Company.

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 Director under section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Clauses of SEBI (LODR) regulations, 2015.

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION

The current policy is to have an appropriate mix of executive and Independent Directors to maintain the independence of the board, and separate its functions of governance and management. As on 31st March, 2024, the board consists of five members, one of whom is Chairperson, Executive or Whole time Director and KMP, one of whom is Executive Director and KMP and three 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 public deposits during the year 2023-24 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. Mandawewala & Co., Chartered Accountants (FRN: 322130E), Kolkata, Statutory Auditors of the Company, shall hold office till the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2027.

Further, the report of the Statutory Auditors along with notes forming part of the Company's accounts as given under Notes (No. 1 – 30) 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. ASRK & Associates (FRN: 328681E) has been appointed as the Internal Auditor of the Company.

CASH FLOW STATEMENT

In conformity with the provisions of Clause 34 of the SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year 2023-24 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/code.htm>

Your Directors draw attention of the members to Note 27 to the financial statement which sets out related party disclosures.



SECRETARIAL AUDIT

In terms of Section 204 of the Act and Rules made there under, Priti Agarwal (Membership No. F10877), 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 2023-24 have been paid. The address of the said Stock Exchange is as follows:

The Bombay Stock Exchange
Phiroze Jeejeebhoy 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.

PARTICULARS OF EMPLOYEES

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 Annexure 3 to this Report.

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.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements as set out by The Securities and Exchange Board of India (SEBI). The report on Corporate Governance as stipulated under the SEBI (LODR) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Auditor confirming compliance with the conditions of Corporate Governance is attached and is forming the part of the Annual Report.

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

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

Foreign Exchange Earning and Outgo

(In Lakhs)

Foreign Exchange Earnings

NIL



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.

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 on the Company's website at <https://www.paragonfinanceltd.com/code.htm>

ID FAMILIARISATION 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 met the stakeholders of the Company so as to get a detailed understanding regarding the Business, which would enable 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 31.03.2024.

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 HARASSMENT 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.



DETAILS OF LITIGATIONS OF THE COMPANY

The details of the suits filed by the Company or filed against the Company which are still pending to be decided by the Court are disclosed in Note No. 28 of Notes to Account. Please refer the same for details.

The Company had made an application against a Financial Debtor under the Insolvency and Bankruptcy Code, 2016 in the year 2019 under Case No. 1685/2019 which is under consideration by the Hon'ble Division Bench of NCLT, Calcutta.

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: 27.08.2024

Sd/-

Sanjay Kumar Gupta

Whole-time Director

DIN-00213467

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st DAY OF MARCH, 2024
[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 **31st March, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31st March, 2024** 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;

VI. Other Laws that are applicable specifically to the company, namely:

- a. The regulations made by the Reserve Bank of India (under the Reserve Bank Act, 1934) with regard to Non-Banking Financial Companies (“NBFC”);
- b. The Information Technology Act, 2000 and the rules made thereunder.

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: 29.05.2024

Sd/-
PRITI AGARWAL
Practicing Company Secretary
Membership No: F10843
C.P. No.: 12790
UDIN: F010877F000490433



Annexure 2

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Directors have pleasure in presenting the Management Discussion and Analysis Report for the year ended on 31st March, 2024. 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

In 2024, the global economic landscape, as projected by the IMF, anticipates steady growth at 3.2% for both 2024 and 2025, while global inflation is expected to decline from 6.8% in 2023 to 5.9% in 2024 and further to 4.5% in 2025. Advanced economies are likely to reach their inflation targets sooner than emerging markets, indicating a gradual normalization across different economic regions.

The World Bank, however, underscores several downside risks including geopolitical tensions, trade disruptions, sustained high interest rates, and climate-related disasters, which could potentially hinder global economic stability and growth prospects.

India has reached \$3.95 trillion in 2024, it is now the fifth largest economy in the world. Forbes highlights India's resilience with a robust growth rate of 8.2% in the fiscal year 2023-24. Looking ahead to FY 2024-25, growth is expected to moderate to 6.6% amidst softer global demand and a tighter monetary policy stance aimed at managing inflationary pressures. India's GDP Per Capita has increased from 2.05 lakhs in FY 2022-23 to 2.27 lakhs in FY 2023-24.

INDUSTRY OVERVIEW

The Non-Banking Financial Companies (NBFCs) sector in India has shown remarkable growth, establishing itself as a pivotal entity within the nation's financial landscape. Since its inception, the sector has undergone significant evolutions, particularly in areas like housing finance, microfinance, and consumer finance, which have substantially contributed to its expansion. This progress has been propelled by factors such as a burgeoning middle class, enhanced financial inclusivity, and supportive policy measures.

Looking ahead, while analysts foresee a potential moderation in commercial vehicle (CV) sales in India for the fiscal year 2024-25 (FY25), signaling a period of adjustment, the sector remains resilient. After a decline in CV sales from 9,62,000 in FY 2022-23 to 8,50,600 in FY 2023-24, projections from ICRA suggest a further decrease of 4-7% in FY25. Shamsher Dewan, Senior Vice President at ICRA, attributes this cyclical adjustment to manageable dealer inventories and a cautious approach by fleet operators, mindful of upcoming elections. Despite temporary fluctuations, government initiatives continue to support long-term growth prospects, with automotive OEMs like Tata Motors anticipating a potential rebound post-monsoons following a brief slowdown in the first half of FY25.



In summary, while challenges in the CV segment are anticipated, the overall outlook for India's automobile sector underscores resilience and the potential for recovery, supported by ongoing policy interventions and evolving consumer dynamics.

RISK MANAGEMENT

The company has established a robust Integrated Risk Management (IRM) policy, which is endorsed by the Board and undergoes regular review, aimed at overseeing and managing a comprehensive spectrum of risks inherent in our operations. This framework encompasses various risk categories, including credit risk, market risk, operational risk, liquidity risk, compliance risk, reputational risk, financial risk, and people risk.

Central to our approach is the proactive identification, thorough measurement, effective mitigation, and transparent reporting of these risks. This is complemented by continuous monitoring of Key Risk Indicators (KRIs) to ensure that organizational objectives are consistently achieved across all business units.

The implementation of our IRM framework is spearheaded by our Senior Management team, demonstrating our firm commitment to integrating robust risk management practices deeply within our corporate culture and operations

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Our company maintains a robust system of internal controls tailored to the nature and scope of our operations. These controls encompass monitoring operations for efficiency and effectiveness, safeguarding assets from unauthorized use or losses, ensuring compliance with regulations, and detecting and preventing fraudulent activities.

Our well-established Internal Audit function provides independent assurance on the effectiveness of our internal controls, risk management, and governance processes. The scope and authority of the Internal Audit division derive from the engagement letter, approved by the Audit Committee. To uphold its independence, the Chief Internal Auditor reports functionally to the Audit Committee. Internal Audit employs a risk-based approach to develop an annual audit plan, which is reviewed and endorsed by the Audit Committee. Quarterly reviews by the Committee include assessment of the audit plan, significant findings, and progress on implementing management action plans.

We maintain a robust system of internal control over financial reporting to mitigate the risk of material misstatements in our financial statements, ensuring timely detection and prevention. These controls are rigorously evaluated to verify their effectiveness in safeguarding the accuracy and integrity of our financial reporting processes.

HUMAN RESOURCE

In today's fast changing business environment, a competitive advantage that a company has is its highly skilled employees and expertise of its workforce. The Company values its human capital as crucial to meeting expansion objectives through effective employee engagement efforts. Robust policies safeguard employee well-being, creating a nurturing work environment. Positive industrial relations bolster the Company's reputation in the market. Guided by a comprehensive HR policy that promotes inclusivity, equal opportunities, and



aligns employee aspirations with organizational growth, the Company views its personnel as pivotal to maintaining sustainable competitive advantage and sustained success.

CAUTIONARY STATEMENT

The statements in the management discussion and analysis report outlining objectives, opportunities, and projections are “forward-looking”. Actual results may differ from those expressed or implied expectations. These statements are not guarantees of future performance, as they are inherently subject to risks and uncertainties, including but not limited to government policies, taxation, macroeconomic factors, and other external factors.

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 Operating Profit Ratio for the FY 2023-24 was 49.39% as compared to 3.02% in previous year. The change in the Operating Profit Ratio is 1535%.

The Net Profit Margin Ratio for the period under review is 24.28% as compared to (7.64%) in previous year which amounts to a change of 418 % approximately.

The Interest Coverage Ratio for the period under review was 35.92% as compared to 2.91% in previous year. A change of 1134% has been seen.

In conclusion, the significant variations in key financial ratios for the FY 2023-24 compared to the previous financial year underscore a remarkable improvement in the company's financial performance. The substantial increases in the Operating Profit Ratio, Net Profit Margin Ratio, and Interest Coverage Ratio—by 1535%, 418%, and 1134% respectively—reflect a robust enhancement in operational efficiency, profitability, and financial stability. These changes indicate a transformative period for the company, positioning it strongly for future growth and financial health. The company remains committed to maintaining this positive trajectory and continuously enhancing shareholder value.

For and on behalf of the Board of Directors

**Sd/-
Sanjay Kumar Gupta
Whole-time Director
DIN-00213467**

Place: Kolkata



Annexure -3

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and other particulars are as follows:

Sl. No.	Name of the Directors	Remuneration for FY 23-24 (Rs. In Lakhs)	% increase in Remuneration as compared to FY 22-23	Ratio of Remuneration of each Director to median remuneration of employees
1	Sanjay Kumar Gupta	79.20	NIL	43.63
2	Aloke Kumar Gupta	66.00	NIL	36.36

- ii. The median remuneration of the employees of the Company during the financial year 2023-24 was Rs. 1.82 Lakhs
- iii. The number of permanent employees on the rolls of Company:
There were 10 employees as on 31st March, 2024.
- iv. The average increase in salary of Managerial Personnel was NIL, whereas the salary of the employees (other than Managerial Personnel) decreased by 6.36%.
- v. Affirmation that the remuneration is as per the remuneration policy of the Company:
Yes the remuneration is as per the remuneration policy of the Company

Place: Kolkata
Date: 27.08.2024

On behalf of the Board of Director

Sd/-
Sanjay Kumar Gupta
Whole time Director
DIN-00213467



CORPORATE GOVERNANCE REPORT

As required under Regulation 34(3) read with Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations, 2015") the details of compliance by the Company with the norms of Corporate Governance are as under:

Our Philosophy on Code of Governance

At Paragon Finance Limited, our philosophy of corporate governance is the compass that guides our journey toward sustainable growth and success. We recognize the importance of ethical conduct, transparency, and accountability in everything we do. Our commitment to these principles ensures that we remain a trusted and responsible corporate citizen, dedicated to delivering value to all our stakeholders while upholding the highest standards of integrity and governance.

Board of Directors

The Company adheres to a policy aimed at achieving an ideal balance between Executive and Non-Executive/Independent Directors. As of the present, the Company's Board of Directors comprises five members which comprises of three Independent Directors and two director serve in an executive manner who are actively involved in the Company's day-to-day operations and management.

During the year under review, thirteen meetings of the Board of Directors were held on April 19, 2023, May 29, 2023, June 19, 2023, August 11, 2023, August 21, 2023, August 29, 2023, September 1, 2023, September 27, 2023, November 6, 2023, November 30, 2023, January 2, 2024, January 31, 2024 and February 7, 2024.

The maximum gap between any two meetings was not more than one hundred and twenty days. As mandated by proviso under Regulation 17A (1) of the Listing Regulations as of March 31, 2024, none of the Independent Directors of the Company served as an Independent Director in more than seven listed entities and as per Regulation 26 of Listing Regulations none of Directors is a member of more than ten Committees or acting as Chairperson of more than five Committees, across all the Indian public limited companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The details pertaining to the Board of Directors for the year 2023-24 is summarized in the table given below:



Name of Director & Category of Directorship	No. of Board meetings attended during the FY	Whether attended the last AGM held on Sept 27, 2023	No. of director-ships in Public Companies	No. of Director-ships in other companies	Membership in Committee (#)	Chairmanship in Committee (#)	Name of other listed entity where person is a director & Category
Mr. Sanjay Kumar Gupta DIN: 00213467 (Chairperson, Whole-time Director & Company Secretary)	13	Yes	1	6	2	Nil	Nil
Mr. Alope Kumar Gupta DIN: 00825331 (Executive Director & Chief Financial Officer)	6	Yes	1	5	1	Nil	Nil
Mr. Suvabrata Ganguly DIN:00003702 (Independent Director upto 21.08.2023)	3	No	2	3	1	Nil	Nil
Mrs. Anny Jain DIN: 06850978 (Independent Director)	13	Yes	1	Nil	Nil	2	Nil
Mrs. Parul Surana* DIN: 06948926 (Independent Director)	13	Yes	1	Nil	1	Nil	Nil
Mr. Anshul Goenka DIN: 10295759 Independent Director from 27.09.2023	3	No	1	Nil	Nil	Nil	Nil

Notes:

- In the above table, the total number of Directorships in other companies includes the Directorship in Section 8 Company, Private Limited Companies and Foreign Companies and in Public Companies includes directorship in this Company and other Public Companies.
- (#) Chairmanship and Membership in Committees includes only Audit Committee and Stakeholders Relationship Committees of Public Companies including this Listed Company.
- Mr. Sanjay Kumar Gupta, Executive Director and Company Secretary will also be the Chairperson of the Company with effect from 21.08.2023. Mr Alope Kumar Gupta has been designated as the Executive Director of the Company with effect from 21.08.2023.
- Mr. Suvabrata Ganguly, Independent Director of the Company resigned on 21.08.2023 due to health issues.
The Board appreciates his contribution and has obtained a confirmation from him that there is no other material reason for his resignation.
- Mr. Anshul Goenka (DIN: 10295759) was appointed as an Additional Director designated as Non-Executive Independent Director on the Board with effect from 29th August, 2023. Pursuant to approval of members at the Annual General Meeting on 27.09.2023, he was appointed as an Independent Director of the Company.
- Mr. Sanjay Kumar Gupta and Mr. Alope Kumar Gupta are brothers. The Independent Directors are not related to each other or any other director in any manner.



7. To familiarize our Independent Directors, we provide them the Annual Reports and adequate documents so that they get a fair understanding of the Company. Meetings are conducted with various stakeholders so that they get an Independent view of the Company.
8. Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board the Independent Directors fulfill the conditions as specified in the Listing Regulations and are Independent of the management.

The directors take an active part at the Board and Committee Meetings and provide valuable guidance on various aspects of business and governance. The directors possess necessary experience, skills and ability relevant to the Company’s business and affairs which enhances the quality of policy decisions. The following table gives details of the skills/expertise/competence identified by the Board of Directors pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h)(ii) of Listing Regulations and currently available with the Board.

Skill, Competencies and Expertise of the Board

Sl. No.	Skills, Competencies and Expertise	Mr. Sanjay Kumar Gupta	Mr. Alope Kumar Gupta	Mrs. Anny Jain	Mrs. Parul Surana	Mr. Anshul Goenka
1.	Industry experience including its entire value chain and in-depth experience in corporate strategy and planning	✓	✓	✓	✓	✓
2.	Understanding of the relevant laws, rules, regulations policies applicable to the Non-Banking Financial Companies	✓	✓	✓	✓	-
3.	Experience in finance, tax, risk management, legal, compliance and corporate governance	✓	✓	✓	✓	✓
4.	Experience in Human Resource Management, Communication and Information Technology	✓	✓	✓	✓	✓
5.	Leadership Quality including integrity and high ethical standards	✓	✓	✓	✓	✓
6.	Social welfare orientation	✓	✓	-	✓	✓

Committees of Board of Directors

The constitution and terms of reference of Committees of the Board are mentioned below:

Audit Committee

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The primary objective of the Committee is to monitor and provide effective supervision of the financial reporting process to ensure reliability and timeliness of disclosures while ensuring integrity and quality of the reports.

Terms of reference

The terms of reference of the Audit Committee, inter alia includes:

1. Overseeing the financial reporting process.
2. To ensure proper disclosure in the Quarterly, Half yearly and Annual Financial Statements. To recommend appointment, re-appointment of auditors, fixing of their remuneration and approval of payment to auditors for any other services rendered by them.



3. Reviewing, with the management, the financial statements before submission to the Board.
4. Reviewing the adequacy of internal audit function.
5. Reviewing the findings of any internal examinations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
6. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
7. To discuss with the management, the senior internal audit executives and the auditor/s the Company's major risk exposures, guidelines and policies.
8. To review the functioning of the Whistle Blower Mechanism.
9. Review and monitor the Auditor's independence, performance and effectiveness of audit process.
10. Approval or any subsequent modification of transactions of the Company with related parties and granting omnibus approval to related party transactions which are in the ordinary course of business and on an arm's length basis and reviewing and approving such transactions.
11. Scrutiny of inter-corporate loans and investments.
12. Valuations of undertakings or assets of the Company, whenever it is necessary.
13. To review the Financial Statements, in particular, the investments made by the Unlisted Subsidiary Company.
14. To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

Internal Auditor

M/s. ASRK & Associates (FRN: 328681E) was appointed as the Internal Auditor of the Company on April 19, 2023.

Composition, Meetings and Attendance

During the year under review, four meetings were held on 29th May, 2023, 11th August, 2023, 6th November, 2023 and 7th February, 2024. The maximum gap between any two meetings was not more than one hundred and twenty days. The necessary quorum was present for all the meetings.

Name of Member	DIN	Status	No. of meetings attended
Mrs. Anny Jain	06850978	Chairperson	4
Mrs. Parul Surana	06948926	Member	4
Mr. Sanjay Kumar Gupta	00213467	Member	4

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) has been constituted by the Board as per the requirements of the provisions of Section 178 of the Act and Regulation 19 read with Part D of the Schedule II of the Listing Regulations.

Terms of reference

The terms of reference of the NRC, inter alia includes:

1. To oversee the framing, review and implementation of Remuneration/Compensation policy of the Company, approved by the Board.
2. Formulation of the criteria for determining qualifications, positive attributes, and independence of a Director and recommend to the Board a policy relating to the



remuneration of the Directors, Key Managerial Personnel and other employees. The Committee shall ensure that –

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
 - d) The Committee may revisit the principles basis industry and regulatory context, Company context and emerging best practices from time to time
3. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee, recommend to the Board their appointment and removal.
 4. The Committee shall formulate the criteria and specify the manner for effective evaluation of performance of Board, its committees and individual directors (Independent & Non-Independent Directors) to be carried out either by the Board or by the Nomination and Remuneration Committee and review its implementation and compliance.
 5. To determine whether to extend or continue the term of appointment of the Independent Director on the basis of the report of their performance evaluation. The tenure of extension or continuity of Independent Director shall be computed as per the provisions of sub-section (10) and (11) of Section 149 of the Companies Act, 2013 read with Explanation there to and Regulation 16(1)(b) of the Listing Regulations.
 6. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management Personnel.
 7. Devising a policy on Board diversity
 8. For every appointment of an Independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent director. The person recommended to the Board for appointment as an Independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
 9. Formulation of Succession policy and Succession plan for Executive Vice Chairman, Managing Director and CEO, Key Managerial personnel and Senior Management Personnel.
 10. To work in close coordination with Risk Management Committee of the Company to achieve effective alignment between compensation and risks to ensure that the compensation outcomes are symmetric with risk outcomes.
 11. To ensure that compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).
 12. To ensure 'fit and proper' status of proposed directors and that there is no conflict of interest in appointment of directors on Board of the Company, Key Managerial Personnel and senior management.

Composition, Meetings and Attendance

During the year, the Committee met twice on 23.08.2023 and 09.02.2024.

The necessary quorum was present for all the meetings



Name of Member	DIN	Status	No. of meetings attended
Mrs. Anny Jain	06850978	Chairperson	2
Mrs. Parul Surana	06948926	Member	2
Mr. Sanjay Kumar Gupta	00213467	Member	2

Criteria for Performance Evaluation of Independent Directors

The criteria and manner for evaluation of performance of Independent Directors provide certain parameters like quality, commitment to the Company's vision, level of participation at Board/Committee Meeting, level of engagement and contribution, Independence of judgment, understanding duties, responsibilities, qualifications, disqualifications and liabilities as an Independent Director, up-to-date knowledge / information pertaining to business of the Company in which the Company is engaged in, implementation of good corporate governance practices, enhancing long term shareholders' value, professional approach, openness to ideas, providing guidance and counsel to senior management in strategic matters and rendering Independent and unbiased opinion at the meetings etc., monitoring the Company's internal controls & review compliance Reports on applicable laws, regulations and guidelines.

The Board completed the performance evaluation of directors as per requirement of law and made a few observations. The Independent Directors fulfilled the requirement of independence as laid down in the Act and Listing Regulations and are Independent of management.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee is constituted in line with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of Listing Regulations.

Terms of reference

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to attending and redressal of the grievances of the security holders of the Company.

Composition, Meetings and Attendance

During the year, the Committee met once on 12.06.2023. The necessary quorum was present for the meetings.

Name of Member	DIN	Status	No. of meetings attended
Mrs. Anny Jain	06850978	Chairperson	1
Mr. Alope Kumar Gupta	00825331	Member	1
Mr. Sanjay Kumar Gupta	00213467	Member	1

Compliance Officer Details

Mr. Sanjay Kumar Gupta, Chairperson of the Company is the Company Secretary and Compliance Officer.

Investor Complaints during the year

The Company did not receive any complaints from the shareholders during the year. Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES within the stipulated period of receipt of the complaint.



Risk Management Committee

The Company has formed a Risk Management Committee in accordance with Master Direction and guidelines issued by the Reserve Bank of India. The Committee shall oversee the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks. The Committee has overall responsibility for monitoring and approving the risk policies and associated practices of the Company.

Composition, Meetings and Attendance

During the year, the Committee met two times on 19.04.2023 and 07.02.2024. The necessary quorum was present for the meetings.

Name of Member	DIN	Status	No. of meetings attended
Mr. Sanjay Kumar Gupta	00213467	Chairperson	2
Mr. Alope Kumar Gupta	00825331	Member	2
Mrs. Anny Jain	06850978	Member	2

Senior Management

The Senior Management of the Company mainly comprises the Key Managerial Personnels. Mr. Sanjay Kumar Gupta is the Compliance Officer and Company Secretary and takes care of the Governance and Regulatory aspects along with the day to day operations. Mr. Alope Kumar Gupta is the Chief Financial Officer of the Company. He looks after the Finance part and also takes an active part in operations

Remuneration of Directors

The details of remuneration paid to Executive and Non-Executive Directors of the Company for the Financial Year 2023-24 are given below:

a. Remuneration to Executive Directors

Name	Designation	All elements of Remuneration package, i.e. Salary, benefits, Bonuses, Pension, etc (Rs. In lacs)	
Mr. Sanjay Kumar Gupta	Executive Director & Company Secretary	Salary, Allowances & perquisites	72.00
		Contribution to NPS	7.20

- i. **Service Contract:** For a period of 5 years w.e.f. 30th September, 2020. The current tenure is till expiry of 39th AGM of the Company.
- ii. **Notice Period:** One month notice from either side
- iii. **Severance Fees:** None
- iv. **Stock Option:** None

Name	Designation	All elements of Remuneration package, i.e. Salary, benefits, Bonuses, Pension, etc (Rs. In lacs)	
Mr. Alope Kumar Gupta	Executive Director & Chief Financial Officer	Salary, Allowances & perquisites	60.00
		Contribution to NPS	6.00



Apart from Remuneration, the Company did not have any pecuniary relationship with Non-Executive Directors during the Financial Year 2023-24.

None of the Non- Executive Directors hold any stock option in the Company.

The Company does not pay any performance incentive or severance fees.

GENERAL BODY MEETING

(i) Annual General Meeting (AGM):

Details of the last three Annual General Meetings (AGM) and Special Resolutions passed thereat are given below:

Year	AGM	Location	Date & Time	Details of Special Resolutions passed
FY 2022-23	37 th AGM	Registered Office	27th September, 2023 10:00 AM	1. To ratify the re- appointment of Mrs. Anny Jain [DIN -06850978] as an Independent Director of the Company. 2. Appointment of Mr. Anshul Goenka (DIN: 10295759) as an Independent Director of the Company.
FY 2021-22	36th AGM	Registered Office	10th August, 2022 10:00 AM	No Special Resolution was passed at the meeting.
FY 2020-21	35th AGM	Registered Office	30th September, 2021 10:00 AM	1. Fixation of remuneration of Mr Aloke Kumar Gupta and Mr. Sanjay Kumar Gupta, Directors of the Company

Postal Ballot

No Resolution was passed during the year through Postal Ballot.

MEANS OF COMMUNICATION

The Company utilizes various means of communications to keep its shareholders and stakeholders informed of its financial performance, events and updates. The Board recognizes the importance of two-way communication with shareholders and giving a report of results and progress and responding to questions and issues raised in a timely and consistent manner.

The Company follows a robust process of communicating with its investors the Audited financial results, the quarterly results and half yearly results of the Company are generally published in English (Business Standard/ Financial Express) and Bengali newspaper (Arthik Lipi) or such other English and Bengali newspaper. Other general information about the Company are also available on the Company's website www.paragonfinancelimited.com.

The aforesaid financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board meetings at which these are considered and approved. . Our Company does online filing with BSE Limited (BSE) through web based application: BSE Listing Centre.

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations including material information having a bearing on the performance / operations of the Company or other price sensitive information

**GENERAL SHAREHOLDER INFORMATION
38th Annual General Meeting (38th AGM)**

Particulars	As on March 31, 2024
Day & Time	25 th September, 2024, Wednesday
Time	10:45 AM
Venue	Registered Office of the Company i.e. 4/1 Middleton Street, Sikkim House, 4th Floor, Kolkata 700071 shall be deemed to be the venue of the AGM
Financial Year	2023-24
Address for correspondence	4/1 Middleton Street, Sikkim House, 4 th Floor, Kolkata 700071
The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 The Company has paid the annual listing and custodian fees for the financial year 2024 - 2025 to the Stock Exchanges and Depositories.
Scrip Code	531255
ISIN No.	INE015E01012
Dividend Payment date	Not Applicable as dividend has not been declared
Registrar & Share Transfer Agents	Niche Technologies Pvt. Ltd
Suspension from Trading	The securities of the Company were not suspended from trading at any time during the year.
Share Transfer System	The Company follows The Companies Act, 2013 and the SEBI regulations for transfer of shares.
Dematerialization of shares and Liquidity	As on 31 st March, 2024 Total no. of shares- 4250000 Shares dematerialized- 4151651 Shares held in physical form- 98349
Plant Locations	NA
Credit Rating	The Company has applied for Credit Rating to ICRA. The same is under process.
Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	The Company has not dealt in any hedging activities, therefore not threatened by any Commodity Price Risk
Outstanding GDR/ADR/Warrants	No GDR/ADR/Warrants or Conversion Instruments have been issued by the Company.

Distribution of Shareholding

The shareholding distribution of the equity shares as on 31st March, 2024 is given below:

Sl. No.	No. of Shares	No. of holders	% to Total	Total no. of shares	% to Total
1	Upto 500	1709	91.7338	124340	2.9256
2	501- 1000	79	4.2405	63884	1.5032
3	1001- 5000	55	2.9522	106800	2.5129



4	5001- 10000	3	0.1610	23240	0.5468
5	10001- 50000	2	0.1074	59960	1.4108
6	50001- 100000	2	0.1074	107981	2.5407
7	100001- and Above	13	0.6978	3763795	88.5599
Total		1863	100.00	4250000	100.00

Shareholding Pattern

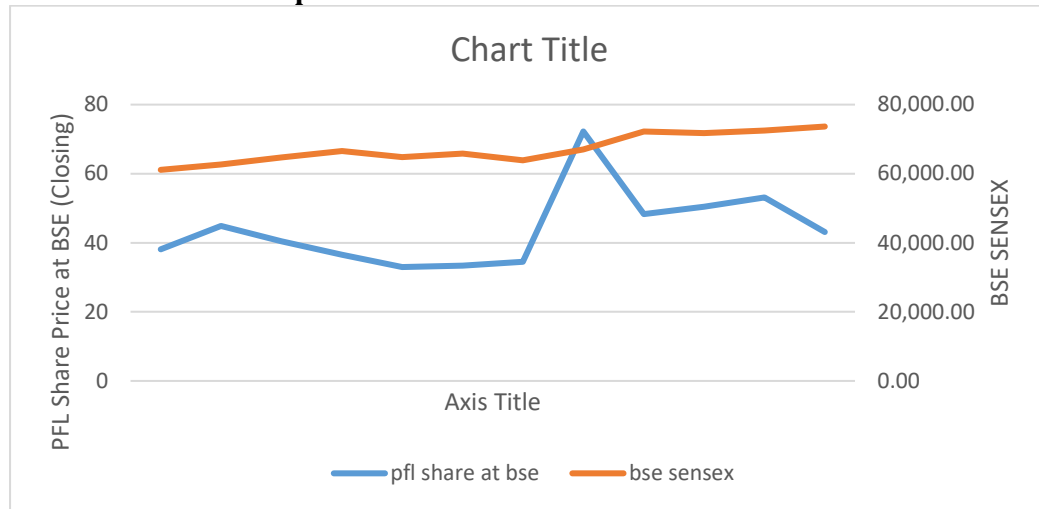
Shareholders' Category	No. of shares held	% of total shares held
Promoter & Promoter Group		
a. Indian	3093555	72.790
b. Foreign	Nil	Nil
Sub-Total (A)	3093555	72.790
Public Shareholding		
1. Institutions	Nil	Nil
2. Non- Institutions		
a. Bodies Corporate	736985	17.339
b. Individuals	416860	9.808
c. Others	0.00	0.00
NRI	2660	0.063
Sub-Total (B)	1156445	27.210
Shares held by Custodian & against which depository receipts have been issued		
a. Promoter & Promoter Group	Nil	Nil
b. Public	Nil	Nil
Sub-Total (C)	Nil	Nil
Grand Total (A+B+C)	4250000	100

Market Price Data- high Low During each month during 2023-24

Months	BSE		Volume traded
	High	Low	
Apr-23	38.15	26.15	29446
May-23	53.64	34.00	25412
Jun-23	47.09	35.69	41020
Jul-23	41.00	33.73	15392
Aug-23	36.10	30.70	18292
Sep-23	35.99	31.00	17465
Oct-23	37.15	29.00	50361
Nov-23	80.76	33.80	118293
Dec-23	70.79	48.31	7207
Jan-24	64.71	46.06	68948
Feb-24	55.65	44.25	38004
Mar-24	54.70	40.66	12795



Performance in comparison to BSE Sensex



Other Disclosures

A. Disclosures on materially significant Related Party transactions that may have potential conflicts with the Company at large.

There are no materially significant Related Party Transactions (RPTs) with the Company's Promoters, Directors, Key Managerial Personnel or their relatives or any other related parties of the Company, which may have potential conflict with the interests of the Company at large. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 24, have been incorporated in the Notes to the Accounts. The statement of RPTs is placed before the Audit Committee and the Board on quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. The Policy on Materiality of RPTs and dealing with RPTs as approved by the Board is uploaded on the Company's website at the web link: <https://www.paragonfinanceltd.com/code.htm>.

B. Details of non-compliance by the Company, penalty, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Market, during the last 3 years:

1. A fine of Rs. 22000/- plus GST @ 18% was imposed by the Stock exchange on 28.11.2022 on the Company for non-compliance of Regulation 34, Non-submission of Annual report within the prescribed period. The Company paid the same.
2. A fine of Rs. 55000/- plus GST @ 18% was levied on the Company for late compliance with Regulation 23(9) of Listing Regulations for the quarter ended September 30, 2022. The Company has filed a waiver application on 09.01.2023 to the Exchange and has also paid a processing fees of Rs. 11800/-. Response from the Exchange regarding the same is still awaited.

The Company is taking extra measures thereafter to ensure no further non-compliances occur.

C. Details of Establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about



unethical behaviour. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behaviour. The Whistle Blower Policy/ Vigil Mechanism is uploaded on the Company's website at the web link of <https://www.paragonfinanceltd.com/code.htm>.

D. Details of Compliance with all mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with all mandatory requirements as specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations for Financial Year 2023-24. The details of the non-mandatory requirements are provided below:

- a. **Shareholder's Rights:** The quarterly, half-yearly and annual financial results of the Company are published in the newspapers on all India basis and are also posted on the Company's website. Further, significant events are informed to the Stock Exchanges from time to time and then the same is also posted on the website of the Company. The complete Annual Report is sent to the shareholders of the Company.
- b. **Audit Qualifications:** The Company's Financial statement for the year 2023-24 does not contain any audit qualification.
- c. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

E. Weblink where policy for determining material subsidiary is disclosed

The Company does not have any listed/ unlisted subsidiary Company as defined in Regulation 24 (1) of Listing Regulations

F. Weblink where policy on dealing with related party transactions is disclosed

The policy on dealing with related party disclosures is uploaded on the Company's website at the web link of <https://www.paragonfinanceltd.com/code.htm>

G. Disclosure on commodity Price Risk and Commodity Hedging activities:

The Company has not dealt in Commodity Hedging activities and therefore not threatened by any Commodity Price Risk.

H. Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A)

The Company has not raised any funds through preferential allotment or qualified institutional placement during the Financial Year ended 31st March, 2024.

I. Certificate from a Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate affairs or any such statutory authority

The Company has obtained certificate from Mrs. Priti Agarwal, Practicing Company Secretary confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report as Annexure A.

J. Declaration that the Board has accepted all recommendation of Committees of Board which is mandatorily required, in the Financial Year ended March 31, 2024.

In the financial year 2023 - 24 the board has accepted all recommendations of its committees.



K. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

The Company has paid the following fees on a consolidated basis for all services rendered by statutory auditor. The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditors is a part, are as follows

Particulars	Amount (Rs.)
Statutory Audit	177000/-
Total	177000/-

L. Disclosures in relation to Sexual Harassment of Women in Workplace(Prevention, prohibition and Redressal) Act, 2013

The Company has not received any complaints in relation to Sexual Harassment of Women at the Workplace.

M. Details of material subsidiaries of the listed entity

The Company does not have any material subsidiary.

N. Non- Compliance of any requirement of Corporate Governance Report

The Company has complied all the applicable requirements of corporate governance report as contained in Clause C (2) to (10) of Schedule V read with Regulation 34(3) of Listing Regulations.

Confirmation of Compliance

It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the Listing Regulations. The Certificate obtained from a Practising Company Secretary that the Company has complied with the conditions of Corporate Governance is annexed to this Report as Annexure B The certificate of Compliance As required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board and attached herewith as Annexure C.

Code of Conduct

The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website at the web link of <https://www.paragonfinanceltd.com/code.htm>

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

There are no shares in demat suspense account or unclaimed suspense account as on 31.03.2024.
By or on behalf of Board of Directors

Sd/-

Sanjay Kumar Gupta
Whole-time Director
DIN: 00213467
Place: Kolkata
Date: 27.08.2024

Annexure A

[Pursuant to Regulation 34(3) read with sub-clause 10(i) of Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirement) Regulator, 2015]

To,
The Members of
Paragon Finance Limited
Sikkim House 4th Floor
4/1 Middleton Street
Kolkata WB-700071.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Paragon Finance Limited** having CIN **L65921WB1986PLC040980** and having registered office at Sikkim House, 4th Floor, 4/1 Middleton Street, Kolkata, West Bengal-700071 (hereinafter referred to as the Company), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause 10(i) of Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirement) Regulator, 2015.

In our opinion and to the best of our information and according to the verifications including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2024** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN/PAN	Designation
1.	Anshul Goenka	10295759	Independent Director
2.	Sanjay Kumar Gupta	00213467	Director
3.	Aloke Kumar Gupta	00825331	Director
4.	Anny Jain	06850978	Independent Director
5.	Parul Surana	06948926	Independent Director

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata

Date: 27th August 2024

AGARWAL PRITI & ASSOCIATES

Company Secretaries

Office Address:

Sikkim House, 4th Floor

4/1, Middleton Street

Kolkata, West Bengal-700071

Sd/-

Priti Agarwal

Proprietor

Certificate Practice No-.9937

FCS.10877

Annexure B

Certificate of Compliance of Conditions of Corporate Governance

To

The Members of
Paragon Finance Limited,

1. We have examined the compliances of the conditions of Corporate Governance by Paragon Finance Limited (the Company") for the financial year ended 31 March, 2024, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015 (Listing Regulations).
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

Place: Kolkata

Date: 27th August, 2024

Office Address:

Sikkim House, 4th Floor
4/1, Middleton Street
Kolkata, West Bengal- 700071

AGARWAL PRITI & ASSOCIATES

Company Secretaries

Sd/-

Priti Agarwal

Proprietor

Certificate Practice No. 9937

FCS 10877



Annexure C

Compliance Certificate

(As required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors

Paragon Finance Limited

4/1 Middleton Street, Sikkim House

4th Floor, Kolkata 700071

We, Sanjay Kumar Gupta, Whole time Director and Company Secretary and Alope Kumar Gupta, Executive Director and Chief Financial Officer of Paragon Finance Limited ("The Company"), to the best of our knowledge and belief, certify that:

A. We have reviewed Financial Statements and the Cash flow Statement of the Company for the year ended 31st March, 2024 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

1. That there are no significant changes in internal control over financial reporting during the year.
2. That there are no significant changes in the accounting policies during the year and that the same have been disclosed in the Notes to Financial statements; and
3. That there are no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/-

Alope Kumar Gupta

DIN: 00825331

Chief Financial Officer

Date: 27.08.2024

Place: Kolkata

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, 2024**, 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, 2024, 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. There 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 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, 2024 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(g) 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(h) 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.

(vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility, however the same has not operated throughout the year for all relevant transactions recorded in the respective software but only from 6th April, 2023 to 31st March, 2024. Further, from 6th April, 2023 to 31st March, 2024 where audit trail (edit log) facility was enabled, we did not come across any instance of the audit trail feature being tampered with during the course of our audit.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For, MANDAWEWALA & CO.
Chartered Accountants
Firm Reg. No. : 322130E

Place: Kolkata

Dated: The 25th day of May, 2024.

Sd/-
[CA. ANIL KR. MANDAWEWALA]
Partner
Membership No. 055939

UDIN: 24055939BKILIJ5840

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, 2024.

- 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, 2024 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.63.10 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 ₹ 3641.22 Lakhs, accumulating to 99.79% 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 ₹ 3495.50 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, 2024 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, 2024 on account of dispute are given below:

Sl. No.	Name of Statute	Nature of Dues	Amount in `	Period	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax	6,15,010/-	A.Y. 2014 -15	Commissioner of Income Tax (Appeals) 21 - 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 willful 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 incurred cash losses amounting to ₹ 59.31 Lakhs during the current Financial Year. Also, the Company had incur cash losses amounting to ₹ 37.89 Lakhs during 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, MANDAWEWALA & CO.
Chartered Accountants
Firm Reg. No. : 322130E

Place: Kolkata

Dated: The 25th day of May, 2024.

Sd/-
[CA. ANIL KR. MANDAWEWALA]
Partner
Membership No. 055939

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, 2024** 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, 2024, 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, MANDAWEWALA & CO.
Chartered Accountants
Firm Reg. No. : 322130E**

Place: Kolkata

Dated: The 25th day of May, 2024.

**Sd/-
[CA. ANIL KR. MANDAWEWALA]
Partner
Membership No. 055939**

PARAGON FINANCE LIMITED

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

CIN: L65921WB1986PLC040980

BALANCE SHEET AS AT 31ST MARCH, 2024

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
(I) ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	3	54.99	44.54
(b) Other Bank Balances	4	61.05	76.06
(c) Loans	5	1,293.49	668.70
(d) Investments	6	1,527.31	1,685.54
(e) Other Financial Assets	7	65.77	270.16
Total Financial Assets		3,002.61	2,744.99
(2) Non-financial Assets			
(a) Current Tax Assets (Net)	25	69.53	56.58
(b) Deferred Tax Assets (Net)	12	0.00	6.90
(c) Property, Plant and Equipment	8	25.51	36.51
(d) Other Non-Financial Assets	9	3.78	11.54
Total Non Financial Assets		98.83	111.53
Total Assets		3,101.44	2,856.53
(II) LIABILITIES AND EQUITY			
(1) Liabilities			
(A) Financial Liabilities			
(a) Borrowings (Other than Debt Securities)	10	70.90	151.09
(b) Other Financial Liabilities	11	10.95	35.74
Total Financial Liabilities		81.85	186.83
(B) Non-Financial Liabilities			
(a) Deferred Tax Liabilities (Net)	12	36.75	0.00
(b) Other Non-Financial Liabilities	13	6.73	2.10
Total Non Financial Liabilities		43.48	2.10
Total Liabilities		125.33	188.93
(2) Equity			
(a) Equity Share Capital	14	425.00	425.00
(b) Other Equity	15	2,551.10	2,242.59
Total Equity		2,976.10	2,667.59
Total Liabilities and Equity		3,101.44	2,856.53

The accompanying notes are integral
part of the Financial statements 1-30

In terms of our report on even date

For and on behalf of the Board

For, MANDAWALA & CO.
Chartered Accountants

Sd/-
[CA. ANIL KR. MANDAWALA]
Partner
FRN: 322130E, M. NO: 055939

Sd/-
SANJAY KUMAR GUPTA
Executive Director, DIN 00213467

Sd/-
ALOKE KUMAR GUPTA
Chief Financial Officer, DIN 00825331

1, British Indian Street.
1st Floor, Suite No. 110D,
Kolkata - 700 069.
Dated : The 29th day of May , 2024

Sd/-
SANJAY KUMAR GUPTA
Company Secretary

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, 2024

(All amounts in ₹ lacs, unless otherwise stated)

<u>Particulars</u>	<u>Note No.</u>	<u>For the year ended</u> <u>31st March, 2024</u> <u>(₹)</u>	<u>For the year ended</u> <u>31st March, 2023</u> <u>(₹)</u>
<u>Revenue From Operations</u>			
(a) Interest Income	16	133.43	146.70
(b) Dividend Income	17	8.44	9.12
(c) Net Gain on Fair Value Changes	18	211.92	15.04
Total Revenue From Operations		353.80	170.86
<u>Other Income</u>	19	9.44	11.75
Total Income		363.24	182.61
<u>Expenses</u>			
(a) Finance Costs	20	3.30	2.76
(b) Impairment on Financial Instruments	21	8.19	-29.24
(c) Employee Benefits Expenses	22	175.77	162.94
(d) Depreciation	23	11.00	14.91
(e) Other Expenses	24	60.77	40.88
Total Expenses		259.02	192.24
Profit Before Tax		104.22	-9.64
<u>Tax Expense:</u>			
(i) Current Tax	25	0.00	0.00
(ii) Deferred Tax	25	18.32	3.37
(iii) Taxation For Earlier Years		0.00	0.00
Profit/(loss) for the year		85.90	-13.00
<u>Other Comprehensive Income</u>			
(i) Items that will not be reclassified to profit or loss Fair valuation of equity and preference instruments through other comprehensive income		247.94	-27.76
(ii) Income tax relating to items that will not be reclassified to profit or loss		-25.33	4.24
Total Other Comprehensive Income		222.61	-23.52
Total Comprehensive Income For The Year		308.51	-36.52
Earnings per Equity Share (Amount in ₹)	26		
Basic (₹)		2.02	-0.31
Diluted (₹)		2.02	-0.31
The accompanying notes are integral part of the Financial Statements	1-30		

In terms of our report on even date

For and on behalf of the Board

For, MANDAWEWALA & CO.

Chartered Accountants

Sd/-

[CA. ANIL KR. MANDAWEWALA]

Partner

FRN: 322130E, M. NO: 055939

Sd/-

SANJAY KUMAR GUPTA

Executive Director, DIN 00213467

Sd/-

ALOKE KUMAR GUPTA

Chief Financial Officer, DIN 00825331

Sd/-

SANJAY KUMAR GUPTA

Company Secretary

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

Dated : The 29th day of May , 2024

PARAGON FINANCE LIMITED

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

CIN: L65921WB1986PLC040980

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2024

(All amounts in ₹ lacs, unless otherwise stated)

	As at March 31,2024	As at March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra ordinary items	104.22	-9.64
Adjustment for :		
Net Gain/ Loss on Fair Value Changes	-211.92	-15.04
Depreciation	11.00	14.91
Impairment on financial instruments	8.19	-29.24
Unmaortised Brokerage	0.00	0.06
Profit on Sale of Fixed Assets	0.00	-1.89
Operating Profit before Working Capital changes	-88.52	-40.83
Adjustment for:		
Loans	-632.97	629.44
Other Financial Assets	204.39	-147.50
Other Non Financial Assets	7.76	85.75
Other Financial Liabilities	-24.79	29.00
Other Non Financial Liabilities	4.63	-15.58
Current Tax Assets	-12.95	-34.30
Cash generated from Operation	-542.45	505.98
Tax Paid	-0.00	0.00
Net Cash from Operating activities (A)	-542.45	505.98
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets - Property, Plant & Equipments	0.00	-12.28
Sale of Fixed Assets - Property, Plant & Equipments	0.00	4.14
Change in Investments	618.10	-734.58
Net Cash from Investing activities (B)	618.10	-742.72
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings / (Repayment of Borrowings)	-80.20	80.20
Net Cash from Financing activities (C)	-80.20	80.20
Net increase in Cash and Bank Balances (A+B+C)	-4.56	-156.55
Cash and Bank Balances at the begining of the year	120.60	277.14
Cash and Bank Balances at the close of the year	116.04	120.60

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

PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024 (CONTD.)

(All amounts in ₹ lacs, unless otherwise stated)

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".

- (ii) Cash and cash equivalents comprises of:

Cash in hand

Balances with banks

- In current accounts

- In overdraft accounts

Cheques in hand

Add: Other Bank Balance

Bank deposits with maturity more than 3 months less than 12 months

	<u>As at</u> <u>31 March 2024</u>	<u>As at</u> <u>31 March 2023</u>
	7.65	18.05
	0.37	0.34
	4.50	0.40
	42.48	25.75
	61.05	76.06
	<u>116.04</u>	<u>120.60</u>

For, MANDAWEWALA & CO.
Chartered Accountants

For and on behalf of the Board

Sd/-
[CA. ANIL KR. MANDAWEWALA]
Partner
FRN: 322130E, M. NO: 055939

Sd/-
SANJAY KUMAR GUPTA
Executive Director, DIN 00213467

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

Sd/-
ALOKE KUMAR GUPTA
Chief Financial Officer, DIN 00825331

Dated : The 29th day of May , 2024

Sd/-
SANJAY KUMAR GUPTA
Company Secretary

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, 2024

(All amounts in ₹ lacs, unless otherwise stated)

A. Equity Share Capital

Current Reporting Period

Balance at the beginning of the reporting period
Changes in equity share capital during the year
Balance at the end of the reporting period

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the reporting period	42.50	42.50
Changes in equity share capital during the year	0.00	0.00
Balance at the end of the reporting period	42.50	42.50

Previous Reporting Period

Balance at the beginning of the reporting period
Changes in equity share capital during the year
Balance at the end of the reporting period

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the reporting period	42.50	42.50
Changes in equity share capital during the year	0.00	0.00
Balance at the end of the reporting period	42.50	42.50

B. Other Equity

<u>Current Reporting Period</u>	Reserves and Surplus			Other comprehensive income		Total
	Particulars	Statutory Reserves	Security Premium Reserve	Retained Earnings	Fair valuation of equity Instruments through Other Comprehensive Income	
Balance at 31 March 2023	375.85	251.38	1,549.23	66.14	2,242.59	
Profits for the year	0.00	0.00	85.90	0.00	85.90	
Transferred to statutory reserves	17.18	0.00	-17.18	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	247.94	247.94	
- Tax impact	0.00	0.00	0.00	-25.33	-25.33	
Balance at 31 March 2024	393.03	251.38	1,617.95	288.75	2,551.10	

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, 2024 (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
Balance at 31 March 2022	375.85	251.38	1,562.23	89.66	2,279.12
Profits for the year	0.00	0.00	-13.00	0.00	-13.00
Transferred to statutory reserves	0.00	0.00	0.00	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	-27.76	-27.76
- Tax impact	0.00	0.00	0.00	4.24	4.24
Balance at 31 March 2023	375.85	251.38	1,549.23	66.14	2,242.59

The accompanying notes are integral part of the Financial statements

In terms of our report on even date

For and on behalf of the Board

For, MANDAWEWALA & CO.

Chartered Accountants

Sd/-

[CA. ANIL KR. MANDAWEWALA]

Partner

FRN: 322130E, M. NO: 055939

Sd/-

SANJAY KUMAR GUPTA

Executive Director, DIN 00213467

Sd/-

ALOKE KUMAR GUPTA

Chief Financial Officer, DIN 00825331

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

Sd/-

SANJAY KUMAR GUPTA

Company Secretary

Dated : The 29th day of May , 2024

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, 2024

(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,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(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,

KOLKATA - 700 071.

CIN: L65921WB1986PLC040980

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(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.

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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.

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(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

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.

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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.

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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.

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- **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.

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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.

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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.

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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.

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.

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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.

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	As at 31st March, 2024	As at 31st March, 2023
<u>Note - 3 : Cash and Cash Equivalents</u>		
Cash on hand [As certified by management]	7.65	18.05
Balances with banks in current account	0.37	0.34
Balances with banks in overdraft account	4.50	0.40
Cheques in hand	42.48	25.75
TOTAL	54.99	44.54
<u>Note - 4 : Other Bank Balances</u>		
Bank Deposit *	61.05	76.06
* (with Original maturity more than 3 months but less than 12 months)		
TOTAL	61.05	76.06
<u>Note - 5 : Loans : Attached in Separate Sheet annexed</u>		
<u>Note - 6 : Investments : Attached in Separate Sheet annexed</u>		
<u>Note - 7 : Other Financial Assets</u>		
Other Advances	63.68	64.33
Fixed Deposit with Others	0.00	201.65
Accrued Interest on Bonds	2.09	4.18
TOTAL	65.77	270.16
<u>Note - 8 : Property, Plant & Equipment : Attached in Separate Sheet annexed</u>		
<u>Note - 9 : Other Non- Financial Assets</u>		
Prepaid Expenses	0.47	0.48
Prepaid Rates & Taxes	0.05	0.08
Service Tax Receivable	0.00	6.71
Others	3.26	4.28
TOTAL	3.78	11.54

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Note - 5 : Loans

	At fair value			At fair value		
	Amortised Cost	through profit and loss	Total	Amortised Cost	through profit and loss	Total
	As at 31 March 2024			As at 31 March 2023		
(A) Loans						
Security deposits	0.02	0.00	0.02	0.02	0.00	0.02
Loans repayable on demand						
- To related parties	1,214.12	0.00	1,214.12	431.25	0.00	431.25
Other loans	143.99	0.00	143.99	293.89	0.00	293.89
	1,358.14	0.00	1,358.14	725.16	0.00	725.16
Less: Impairment allowance (refer note (a) below)	-64.65	0.00	-64.65	-56.46	0.00	-56.46
	1,293.49	0.00	1,293.49	668.70	0.00	668.70
(B) Security						
Secured by tangible assets	119.08	0.00	119.08	227.66	0.00	227.66
Unsecured	1,239.06	0.00	1,239.06	497.51	0.00	497.51
	1,358.14	0.00	1,358.14	725.16	0.00	725.16
Less: Impairment allowance (refer note (a) below)	-64.65	0.00	-64.65	-56.46	0.00	-56.46
	1,293.49	0.00	1,293.49	668.70	0.00	668.70
(C) Other details						
Loans in India						
- Public Sector	0.00	0.00	0.00	0.00	0.00	0.00
- Others	1,358.14	0.00	1,358.14	725.16	0.00	725.16
	1,358.14	0.00	1,358.14	725.16	0.00	725.16
Less: Impairment allowance (refer note (a) below)	-64.65	0.00	-64.65	-56.46	0.00	-56.46
	1,293.49	0.00	1,293.49	668.70	0.00	668.70

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

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	56.46	85.70
Add/(Less): Provision made during the year	8.19	-29.24
Balance at the end of the year	64.65	56.46

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Note - 6 : Investments

	At fair value				At fair value			
	Amortised Cost	Through other comprehensive income	Through profit and loss	Total	Amortised Cost	Through other comprehensive income	Through profit and loss	Total
(a) Investment in:	As at 31 March 2024				As at 31 March 2023			
Mutual Funds (Quoted)	0.00	0.00	661.51	661.51	0.00	0.00	1,018.88	1,018.88
Exchange Traded Fund (Quoted)	0.00	0.00	208.83	208.83	0.00	0.00	79.75	79.75
Equity Instruments- Others (Quoted)	0.00	551.11	0.00	551.11	0.00	379.42	0.00	379.42
Equity Instruments- Others (Unquoted)	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.04
Bonds	0.00	0.00	104.85	104.85	0.00	0.00	205.40	205.40
Debentures	0.00	0.00	1.01	1.01	0.00	0.00	2.06	2.06
TOTAL	0.00	551.11	976.20	1,527.31	0.00	379.46	1,306.08	1,685.54
(b) Other details:								
Investment Outside India	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment in India	0.00	551.11	976.20	1,527.31	0.00	379.46	1,306.08	1,685.54
TOTAL	0.00	551.11	976.20	1,527.31	0.00	379.46	1,306.08	1,685.54

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(All amounts in ₹ lacs, unless otherwise stated)

Note - 6 : Investments (Contd.)

	As at 31 March 2024			As at 31 March 2023		
	Number	Amount (₹) in Lakhs		Number	Amount (₹) in Lakhs	
(a) Investment in Mutual Funds (Quoted)						
(Measured at FVTPL)						
UTI Nifty Index Fund	9,327	14,28,397	14.28	9,327	11,00,428	11.00
UTI Nifty Next 50 Index Fund	71,656	15,92,303	15.92	71,656	9,89,841	9.90
HDFC Index Nifty 50 Fund	2,06,459	4,40,17,099	440.17	2,06,459	3,39,12,935	339.13
ICICI Prudential Nifty Index Fund	6,299	14,51,697	14.52	6,299	11,18,758	11.19
UTI Nifty Next 50 SIP	2,88,654	64,14,332	64.14	2,88,654	39,87,413	39.87
HDFC Liquid Fund Motilal	0	0	0.00	6,938	3,04,14,868	304.15
HDFC Liquid Fund Emkay	0	0	0.00	6,926	3,03,63,473	303.63
Nippon India Money Market Fund	280	10,70,343	10.70	0	0	0.00
TATA Money Market Fund	2,332	1,01,77,180	101.77	0	0	0.00
TOTAL	5,85,008	6,61,51,350	662	5,96,260	10,18,87,716	1,019
(b) Investment in Exchange Traded Fund (Quoted)						
(Measured at FVTPL)						
Nippon ETF Nifty Bees - Emkay	10,000	24,71,300	24.71	10,000	18,98,600	18.99
Nippon ETF Liquid Bees	0	449	0.00	0	392	0.00
Nippon ETF Nifty Bees - MOSL	74,500	1,84,11,185	184.11	32,000	60,75,520	60.76
TOTAL	84,500	2,08,82,934	208.83	42,000	79,74,512	79.75

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(All amounts in ₹ lacs, unless otherwise stated)

Note - 6 : Investments (Contd.)

	As at 31 March 2024			As at 31 March 2023		
	Number	Amount (₹) in Lakhs		Number	Amount (₹) in Lakhs	
(c) Investment in Equity shares (Quoted)						
(Measured at FVTOCI)						
Aditya Birla Capital	0	0	0.00	700	1,07,485	1.07
Andhra Papers Ltd.	3,000	14,58,300	14.58	0	0	0.00
APL Autotubes Limited	0	0	0.00	1,500	18,05,700	18.06
Apollo Hospitals Ent Ltd	125	7,93,988	7.94	125	5,38,863	5.39
Aptus Value Housing	17,000	52,49,600	52.50	15,000	36,51,000	36.51
Ashco Industries	5,000	0	0.00	5,000	1,450	0.01
Asian Granito Ind Ltd	2,000	1,14,300	1.14	2,000	70,100	0.70
Asian Paints Ltd	0	0	0.00	900	24,85,485	24.85
Bank of Baroda	1,000	2,64,050	2.64	1,990	3,36,012	3.36
BEL (Bonus on 04.08.22)	4,000	8,05,800	8.06	4,000	3,90,200	3.90
BPCL	6,800	40,95,640	40.96	6,800	23,39,890	23.40
Clutch Auto	1,000	0	0.00	1,000	10,650	0.11
Dangee Dums Ltd.	70,000	5,67,000	5.67	0	0	0.00
Deccan Chronicle Holdings Limited	2,500	0	0.00	2,500	5,850	0.06
Deep Energy Resources Limited (Demer)	0	0	0.00	1,500	1,60,950	1.61
Deep Industries Ltd. (Demer)	0	0	0.00	1,000	2,68,500	2.69
Dharamsi Morarji	0	0	0.00	2,500	5,99,750	6.00
Duncans Limited	2,000	0	0.00	2,000	18,200	0.18
FariChem Organics	0	0	0.00	500	4,57,050	4.57
FDC Limited	0	0	0.00	1,937	4,96,937	4.97
Gammon India LTD.	200	0	0.00	200	290	0.00
GIC Housing Finance	500	1,00,700	1.01	500	77,425	0.77

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(All amounts in ₹ lacs, unless otherwise stated)

Note - 6 : Investments (Contd.)

	As at 31 March 2024			As at 31 March 2023		
	Number	Amount (₹) in Lakhs		Number	Amount (₹) in Lakhs	
GOL Offshore Limited	8,500	0	0.00	8,500	85,425	0.85
Greenply Industries Ltd	0	0	0.00	2,000	2,77,900	2.78
HDFC Bank Ltd.	550	7,96,510	7.97	0	0	0.00
Hikal Limited	2,600	6,88,480	6.88	2,600	7,32,940	7.33
Himachal Futuristic Ltd	1,00,000	91,90,000	91.90	1,00,000	61,01,000	61.01
ICICI Bank Ltd	0	0	0.00	2,100	18,42,225	18.42
Indusind Bank Ltd	0	0	0.00	300	3,20,385	3.20
JAY Bharat Maruti Ltd	0	0	0.00	3,000	3,98,850	3.99
Jio Financial Services	10,000	35,38,000	35.38	0	0	0.00
JK Paper Ltd.	10,000	32,25,000	32.25	0	0	0.00
Jubilant Foodworks Ltd.	2,000	8,96,700	8.97	0	0	0.00
K S Oils	2,500	0	0.00	2,500	1,100	0.01
Kalyani Steels Ltd	0	0	0.00	500	1,47,400	1.47
Laurus Labs Limited	3,000	11,75,250	11.75	3,000	8,79,000	8.79
Max Financial Services Ltd.	0	0	0.00	1,400	8,89,000	8.89
Murli Industries	3,500	0	0.00	3,500	0	0.00
Muthoot Microfin Ltd.	714	1,42,657	1.43	0	0	0.00
NBCC (India) Limited	0	0	0.00	10,000	3,54,500	3.55
New Gen Software Tech Ltd	1,000	7,94,550	7.95	1,000	4,50,700	4.51
New Gen Software Tech Ltd (Bonus)	1,000	7,94,550	7.95	0	0	0.00
NMDC Ltd.	50,000	27,36,000	27.36	0	0	0.00
Panasonic Carbon Ind.	458	1,98,543	1.99	458	1,54,048	1.54
Parag Milk Foods Ltd	500	1,03,950	1.04	500	36,375	0.36
PFCL	12,400	48,38,480	48.38	12,400	18,81,700	18.82

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(All amounts in ₹ lacs, unless otherwise stated)

Note - 6 : Investments (Contd.)

	As at 31 March 2024			As at 31 March 2023		
	Number	Amount (₹)	in Lakhs	Number	Amount (₹)	in Lakhs
PFCL (Bonus 21.09.23)	3,100	12,09,620	12.10	0	0	0.00
Piramal Pharma (Dem)	300	2,54,805	2.55	300	2,03,505	2.04
Prince Pipes & Fittings Ltd	3,000	16,48,350	16.48	3,000	16,27,500	16.28
Punjab National Bank	0	0	0.00	5,000	2,33,000	2.33
REC Limited	14,000	63,11,200	63.11	14,000	16,16,300	16.16
REC Limited (Bonus on 30.06.22)	2,000	9,01,600	9.02	2,000	2,30,900	2.31
Reliance Industries Ltd	500	14,88,400	14.88	500	11,65,525	11.66
Ruchira Papers Ltd	0	0	0.00	2,554	2,38,288	2.38
Ruchira Papers Ltd (Bonus)	0	0	0.00	255	23,792	0.24
SAMKRG Pistons & Rin	1,300	1,83,560	1.84	1,300	1,57,040	1.57
Stove Kraft Limited	1,300	5,45,155	5.45	1,300	4,87,955	4.88
Tata Consumer Product Ltd	0	0	0.00	1,000	7,10,050	7.10
Tech Mahindra Limited	0	0	0.00	300	3,30,555	3.31
The Byke Hospitality	0	0	0.00	3,000	96,900	0.97
Union Bank (Previously Corporation Bank)	0	0	0.00	1,155	76,865	0.77
VA TECH WABAGE LTD	0	0	0.00	500	1,75,950	1.76
Zensar Technologies Limited	0	0	0.00	8,000	21,93,200	21.93
TOTAL	3,49,347	5,51,10,738	551.11	2,49,574	3,79,41,660	379.42

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(All amounts in ₹ lacs, unless otherwise stated)

Note - 6 : Investments (Contd.)

	As at 31 March 2024			As at 31 March 2023		
	Number	Amount (₹)	in Lakhs	Number	Amount (₹)	in Lakhs
(d) <u>Investment in Equity Shares (Unquoted)</u>						
(Measured at FVTOCI)						
Kingfisher Ariline Ltd	1,000	0	0.00	1,000	1,300	0.01
Socrus Bio Sciences Limited	2,000	0	0.00	2,000	2,340	0.02
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	426	0.00
TOTAL	36,100	0	0.00	36,100	4,066	0.04
(e) <u>Investment in Government Bonds(Quoted)</u>						
(Measured at FVTPL)						
7.41% Government of India Bonds	1,00,000	1,04,85,000	104.85	2,00,000	2,05,40,000	205.40
TOTAL	1,00,000	1,04,85,000	104.85	2,00,000	2,05,40,000	205.40
(f) <u>Investment in Debentures</u>						
(Measured at FVTPL)						
8.49% NTPC NCD (bonus)	20,000	1,00,600	1.01	20,000	2,05,800	2.06
TOTAL	20,000	1,00,600	1.01	20,000	2,05,800	2.06

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(All amounts in ₹ lacs, unless otherwise stated)

Note - 8 : Property, Plant & Equipments

	Furniture & Fittings	Motor Vehicle	Office Equipment	Computer	Air Conditioner	Refrigerator	Electrical Equipment	Cellular Phone	TOTAL
GROSS BLOCK:									
Balance as at 1st April 2022	1.48	49.89	0.90	0.71	1.94	0.16	0.70	1.51	57.30
Additions	0.00	11.27	0.41	0.60	0.00	0.00	0.00	0.00	12.28
Disposals	0.00	5.84	0.18	0.00	0.00	0.00	0.00	0.00	6.02
Balance as at 31st March 2023	1.48	55.32	1.14	1.31	1.94	0.16	0.70	1.51	63.56
Balance as at 1st April 2023	1.48	55.32	1.14	1.31	1.94	0.16	0.70	1.51	63.56
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31st March 2024	1.48	55.32	1.14	1.31	1.94	0.16	0.70	1.51	63.56
DEPRECIATION:									
Balance as at 1st April 2022	0.98	11.15	0.42	0.33	1.32	0.12	0.43	1.16	15.91
Depreciation charge for the year	0.10	14.05	0.24	0.31	0.11	0.00	0.05	0.06	14.91
Disposals	0.00	3.61	0.16	0.00	0.00	0.00	0.00	0.00	3.77
Balance as at 31st March 2023	1.08	21.59	0.49	0.64	1.44	0.12	0.48	1.22	27.05
Balance as at 1st April 2023	1.08	21.59	0.49	0.64	1.44	0.12	0.48	1.22	27.05
Depreciation charge for the year	0.07	10.40	0.20	0.19	0.07	0.00	0.04	0.03	11.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31st March 2024	1.15	31.99	0.69	0.82	1.51	0.12	0.51	1.25	38.05
CARRYING VALUE:									
As at 31 March 2023	0.40	33.72	0.65	0.67	0.51	0.05	0.22	0.29	36.51
As at 31 March 2024	0.33	23.32	0.45	0.48	0.44	0.05	0.19	0.26	25.51

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(All amounts in ₹ lacs, unless otherwise stated)

Note - 10 : Borrowings (other than debt securities)

	As at 31 March 2024			As at 31 March 2023		
	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	151.09	151.09
Loan from Director's Relative (Unsecured)	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	70.90	70.90	0.00	151.09	151.09
Borrowings in India	0.00	70.90	70.90	0.00	151.09	151.09
Borrowings outside India	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	70.90	70.90	0.00	151.09	151.09

* Overdraft from Banks are secured by Hypothecation of Fixed Deposits with respective Banks

As at 31st March, 2024	As at 31st March, 2023
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Note - 11 : Other Financial Liabilities

Liabilities for Expenses	6.86	6.54
Options Outstanding A/c	2.52	27.71
Others	1.57	1.49
	10.95	35.74

Note - 12 : Deferred Tax Liability : Attached in Separate Sheet annexed

Note - 13 : Other Non - Financial Liabilities

Advance from Customers	0.00	0.00
Statutory Dues	6.73	2.10
	6.73	2.10

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(All amounts in ₹ lacs, unless otherwise stated)

	As at 31st March, 2024	As at 31st March, 2023
Note - 12 : Deferred Tax Liability		
Deferred Tax Liability:		
Fair valuation on investments measured at FVTPL	28.42	9.85
Total Deferred Tax Liabilities	28.42	9.85
Deferred Tax Assets:		
Fair valuation on instruments measured at FVTOCI	-15.80	9.53
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	7.47	7.22
Total Deferred Tax Assets	-8.33	16.75
Deferred Tax Liabilities, Net	36.75	-6.90

Movement in deferred tax assets for year ended 31 March 2024:

Particulars	As at 01 April 2023	Statem ent of Profit or Loss	Other Comprehensi ve Income	As at 31 March 2024
Deferred tax liabilities for taxable temporary differences on:				
Fair valuation on investments measured at FVTPL	9.85	18.57	0.00	28.42
TOTAL	9.85	18.57	0.00	28.42
Deferred tax assets for deductible temporary differences on:				
Fair valuation on instruments through OCI	9.53	0.00	-25.33	-15.80
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	7.22	0.25	0.00	7.47
TOTAL	16.75	0.25	-25.33	-8.33
Deferred Tax Liabilities, Net	-6.90	18.32	25.33	36.75

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(All amounts in ₹ lacs, unless otherwise stated)

Note - 14 : Equity Share Capital

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of ₹ 10 each	62,50,000	625.00	62,50,000	625.00
TOTAL	62,50,000	625.00	62,50,000	625.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each	42,50,000	425.00	42,50,000	425.00
TOTAL	42,50,000	425.00	42,50,000	425.00

(a) Reconciliation of equity share capital

<u>Equity Shares</u>	As at 31 March 2024		As at 31 March 2023	
Balance at the beginning of the year	42,50,000	425.00	42,50,000	425.00
Add: Shares issued during the year	0	0.00	0	0.00
Balance at the end of the year	42,50,000	425.00	42,50,000	425.00

(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 2024		As at 31 March 2023	
	Number	%	Number	%
KIT COMMERCIAL (P) LTD	3,22,700	7.59%	3,22,700	7.59%
BASERA ABASAN LLP	3,40,577	8.01%	3,40,577	8.01%
SHREE SECURITIES	3,15,700	7.43%	3,15,700	7.43%
MAHANT VANIJYA (P) LTD.	8,00,429	18.83%	8,00,429	18.83%
SANJAY KUMAR GUPTA	2,78,702	6.56%	3,24,850	7.64%
SHREYA GUPTA	3,71,277	8.74%	3,71,277	8.74%
SAHARSH ESTATES LLP	2,50,000	5.88%	2,50,000	5.88%
BRITE ASBESTOS & ENGG. PVT. LTD.	3,57,781	8.42%	1,91,000	4.49%

(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, 2024		As at 31st March, 2023		% Change
	Number	% age	Number	% age	
KIT COMMERCIAL (P) LTD	3,22,700	7.59%	3,22,700	7.59%	0.00%
BASERA ABASAN LLP	3,40,577	8.01%	3,40,577	8.01%	0.00%
SHREE SECURITIES	3,15,700	7.43%	3,15,700	7.43%	0.00%
MAHANT VANIJYA (P) LTD.	8,00,429	18.83%	8,00,429	18.83%	0.00%
SANJAY KUMAR GUPTA	2,78,702	6.56%	3,24,850	7.64%	-1.09%
SHREYA GUPTA	3,71,277	8.74%	3,71,277	8.74%	0.00%
SAHARSH ESTATES LLP	2,50,000	5.88%	2,50,000	5.88%	0.00%
NAMAN BARTER PVT LTD	1,72,800	4.07%	1,72,800	4.07%	0.00%
PRAGMA ESTATES LLP	1,90,000	4.47%	1,90,000	4.47%	0.00%
VIDUL GUPTA	51,370	1.21%	5,222	0.12%	1.09%

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(All amounts in ₹ lacs, unless otherwise stated)

Note - 15 : Other Equity

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory Reserve	393.03	375.85
Security Premium Reserve	251.38	251.38
Retained Earnings	1,617.95	1,549.23
Other Comprehensive income	288.75	66.14
TOTAL	2,551.10	2,242.59

(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.

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(All amounts in ₹ lacs, unless otherwise stated)

Note - 16 : Interest Income

Year ended 31 March 2024				
	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
(a) Financials assets				
Interest on loans	0.00	107.31	0.00	107.31
Interest on deposit with Bank	0.00	4.49	0.00	4.49
Interest on deposit with Others	0.00	14.05	0.00	14.05
Interest on Bonds	0.00	0.00	7.41	7.41
Interest on Debentures	0.00	0.00	0.17	0.17
TOTAL	0.00	125.85	7.58	133.43
Year ended 31 March 2023				
	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
(a) Financials assets				
Interest on loans	0.00	139.41	0.00	139.41
Interest on deposit with Bank	0.00	4.53	0.00	4.53
Interest on deposit with Others	0.00	1.04	0.00	1.04
Interest on Bonds	0.00	0.00	1.51	1.51
Interest on Debentures	0.00	0.00	0.21	0.21
TOTAL	0.00	144.98	1.72	146.70

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(All amounts in ₹ lacs, unless otherwise stated)

<u>Particulars</u>	<u>For the year ended</u> <u>31st March, 2024</u> (₹)	<u>For the year ended</u> <u>31st March, 2023</u> (₹)
Note - 17 : Dividend Income		
Dividend income on investments	8.44	9.12
TOTAL	8.44	9.12
Note - 18 : Net Gain/ (Loss) on Fair Value Changes		
(a) Net gain/(loss) on financial instruments at fair value through profit or loss		
-Mutual fund	172.46	14.74
-Exchange Traded Fund	36.19	-1.69
-Debenture	-0.05	-0.07
-Bond	3.33	2.06
TOTAL	211.92	15.04
Fair value changes:		
- Realised	29.22	1.11
- Unrealised	182.71	13.93
TOTAL	211.92	15.04
Note - 19 : Other Income		
Bad Debts Recovered	4.14	5.32
Interest on Income Tax Refund	1.65	0.00
Interest on Service Tax Refund	3.64	0.00
Miscellaneous Income	0.01	0.43
Income from F & O	0.00	4.11
Profit on Sale of Fixed Assets	0.00	1.89
TOTAL	9.44	11.75

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(All amounts in ₹ lacs, unless otherwise stated)

<u>Particulars</u>	Year ended 31 March 2024			Year ended 31 March 2023		
	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
Note - 20 : Finance Costs:						
- Interest expenses on bank loan	0.00	0.07	0.07	0.00	0.05	0.05
- Interest expenses on other loans	0.00	3.23	3.23	0.00	2.71	2.71
TOTAL	0.00	3.30	3.30	0.00	2.76	2.76

Note - 21 : Impairment on Financial Instruments

<u>Particulars</u>	Year ended 31 March 2024			Year ended 31 March 2023		
	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, Provision on Doubtful Debts / (Reversal)	0.00	8.19	8.19	0.00	-29.24	-29.24
TOTAL	0.00	8.19	8.19	0.00	-29.24	-29.24

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

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(All amounts in ₹ lacs, unless otherwise stated)

<u>Particulars</u>	<u>For the year ended</u> <u>March 31, 2024</u> <u>(₹)</u>	<u>For the year ended</u> <u>March 31, 2023</u> <u>(₹)</u>
<u>Note - 22 : Employee Benefit Expenses</u>		
Salaries and wages (including Managerial Remuneration)	168.79	157.23
ESI	0.39	0.35
Staff welfare expenses	6.59	5.37
TOTAL	175.77	162.94
<u>Note - 23 : Depreciation</u>		
Depreciation on property, plant and equipment (Refer Note No. 8)	11.00	14.91
TOTAL	11.00	14.91
<u>Note - 24 : Other Expenses</u>		
Electricity Charges	1.47	1.75
Repairs and Maintenance		
- Others	2.35	2.78
Insurance	1.16	0.84
Advertisement	0.60	1.30
Rates and Taxes	0.26	0.07
Telephone Charges	1.13	1.48
Travelling and Conveyance	5.61	3.91
Foreign Travelling Expenses	2.16	1.91
Printing and Stationery	0.89	0.69
Commission & Brokerage	0.00	0.06
Business Promotion	2.45	0.86
Vehicle Running & Maintenance Expenses	6.13	5.26
Legal and Professional	3.48	3.98
Loss on Futures & Options	13.46	0.00
Miscellaneous Expenses	16.36	13.21
<u>Payments to Auditors</u>		
- As Auditors - Statutory Audit	1.77	1.77
- For Internal Audit	0.53	0.30
- For Secretarial Audit	0.94	0.71
TOTAL	60.77	40.88

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(All amounts in ₹ lacs, unless otherwise stated)

<u>Particulars</u>	For the year	For the year
	ended	ended
	March 31, 2024	March 31, 2023
	(₹)	(₹)
Note - 25 : Tax expense		
Current tax	0.00	0.00
Deferred tax	18.32	3.37
TOTAL	18.32	3.37

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 2024 and 31 March 2023 respectively and the reported tax expense in profit or loss are as follows:

Reconciliation of Income Tax provision to the

(a) amount computed by applying the Statutory Tax rate:

Profit before tax	104.22	-9.64
Enacted tax rates in India (%)	25.17%	25.17%
Computed tax expense	26.23	-2.43
Others	-7.91	5.79
Total Income Tax Expense as per the Statement of Profit and Loss	18.32	3.37

(b) Details of income tax balances

Current tax liabilities:

Opening balance	0.00	0.00
Less: Self Assessment Tax paid	0.00	0.00
TOTAL	0.00	0.00

Current tax assets:

Opening balance	56.58	22.28
Add: TDS Receivable & Advance Tax	12.95	34.30
Less: Provision for Taxation	0.00	0.00
TOTAL	69.53	56.58

Note - 26 : Earnings per share (EPS)

Net Profit attributable to Equity Shareholders (₹ lakhs)	85.90	-13.00
Nominal value of Equity Share (₹)	10.00	10.00
Weighted Average no. of Equity Shares Outstanding	42,50,000	42,50,000
Basic Earnings Per Share (₹)	2.02	-0.31
Diluted Earnings Per Share (₹)	2.02	-0.31

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(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 2024

(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

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

<u>Name of the related party</u>	<u>Nature</u>
NIL	

(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
- (f) Pragma Estates LLP
- (g) Basera Abasan LLP
- (h) Saharsh Estates LLP
- (i) S K Gupta HUF

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(All amounts in ₹ lacs, unless otherwise stated)

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<u>Director Remuneration (KMP)</u>	145.20	145.20
<u>Interest Expenses</u>	3.23	2.71
<u>Interest Income</u>	51.20	34.85
<u>Loan Given</u>	3,495.50	6,267.13
<u>Loan Repayment Received</u>	2,758.71	5,985.99
<u>Loan Taken</u>	165.18	807.87
<u>Loan Repaid</u>	245.38	730.11
<u>Balances with related parties at year end</u>		
(i)Year end receivable (Loan given and interest accrued)	1,214.12	431.25
(ii)Year end Payable (Loan Taken and interest	70.90	151.09

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(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 31.03.2024.

(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
- (c) Basera Asbasan LLP
- (d) S K Gupta HUF
- (e) Mahant Vanijya Pvt. Ltd.
- (f) Kit Commercial Private Ltd.
- (g) Pragma Estates LLP
- (h) Saharsh Estates LLP

<u>Type of Borrower</u>	<u>Amount of Loan or Advance in the Nature of Loan Outstanding as on 31.03.2024</u>	<u>Percentage of Total Loans or Advances in the Nature of Loan Outstanding as on 31.03.2024</u>
Promoters	0.00	0.00%
Directors	0.00	0.00%
KMPs	0.00	0.00%
Related Parties	1214.12	89.40%

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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 :

- There were 8 (Eight) open Option Contracts in Derivative Segments at the Balance Sheet Date. The net credit balance of ₹ 2,51,737/- on those contracts have been shown in Options Outstanding A/c under Other Financial Liabilities.

- A demand of ₹ 6,15,010/- has been raised by the Income Tax Department for the A.Y. 2014 - 2015. The Company has preferred an appeal for the same and the appeal is pending before the office of Commissioner of Income Tax (Appeals) - 21 (Kolkata).

- A partition suit under the Indian Partion Act, 1893 has been filed by Mr. Manoj Kumar Gupta in the Hon'ble Calcutta High Court to which the company is also a respondent party. The amount to be provided for contingent liability is indeterminate under the current circumstances and nature of the case. As on the date of Balance Sheet, the case is pending before the Hon'ble Caclutta High Court.

- A case u/s 200 of Code of Criminal Procedure,1973 r.w.s. 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque of value ₹ 3,18,58,875/- has been filed by Manoj Kumar Gupta HUF(Karta : Mr. Manoj Kumar Gupta) against the company before the Hon'ble Karnataka High Court. In response to the same, the Company has filed for quashing off of said case before the Hon'ble Karnataka High Court. As on the date of Balance Sheet, the case filed by Manoj Kumar Gupta HUF against the company is stayed with as per the interim orders of Hon'ble Karnataka High Court.

- A case u/s 200 of Code of Criminal Procedure,1973 r.w.s. 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque of value ₹ 3,18,58,875/- has been filed by Mrs. Reena Gupta (Wife of Mr. Manoj Kumar Gupta) against the company before the Hon'ble Karnataka High Court. In response to the same, the Company has filed for quashing off of said case before the Hon'ble Karnataka High Court. As on the date of Balance Sheet, the case filed by Mrs. Reena Gupta against the company is stayed with as per the interim orders of Hon'ble Karnataka High Court.

- The Company has obtained an Unsecured Loan from Ipsa Credit Pvt. Ltd (Enterprise over which relative of Key Management Personnel (KMP) exercises control / significant influence). The Co. has not provided for the interest of ₹ 2,62,500/- on such loan due to a dispute going on between the Company and the directors of Ipsa Credit Pvt. Ltd. (Manoj Gupta - DIN : 00333122, Reena Gupta - DIN : 00333272, Ipsa Gupta - DIN : 02132914)

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(All amounts in ₹ lacs, unless otherwise stated)

28 (c) 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	393.03
Add : Credit Balance in P&L Account (Including Other Comprehensive Income)	1723.99
	<hr/>
	2793.40
Less : Deferred Tax Assets	0.00
	<hr/>
	2793.40

- 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) 64.65

- Risk Weighted Assets

	Book Value	% Weight	Weighted Risk Assets
(a) Cash and Cash Equivalents	54.99	0%	0.00
(b) Other Bank Balances	61.05	0%	0.00
(c) Loans	1293.49	100%	1293.49
(d) Investments	1527.31	100%	1527.31
(e) Other Financial Assets	65.77	100%	65.77
(f) Current Tax Assets (Net)	69.53	0%	0.00
(g) Deferred Tax Assets (Net)	0.00	0%	0.00
(h) Property, Plant and Equipment	25.51	100%	25.51
(i) Other Non-Financial Assets	3.78	100%	3.78
	<hr/>		
	3101.44		2915.86

- Capital To Risk Weighted Assets Ratio (CRAR)

(a) Capital - Tier I	2793.40
(b) Add: Capital - Tier II	64.65
	<hr/>
	2858.04
(c) Divide : Risk Weighted Assets	2915.86
	<hr/>
	0.98

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

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(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		54.99	
- Balance with Banks		61.05	
TOTAL HIGH QUALITY LIQUID ASSETS		116.04	(a) 116.04
(B) <u>Cash Outflows in the immediate succeeding 30 Days</u>			
Loan Repayable on Demand	70.90	81.53	
TOTAL CASH OUTFLOWS	70.90	81.53	
75% of Total Weighted Value(Average) of Cash Outflows			(b) 61.15
(C) <u>Cash Inflows in the immediate succeeding 30 Days</u>			
EMI Due of Vehicle Loans	8.48	6.36	
TOTAL CASH INFLOWS	8.48	6.36	
Minimum of Total Cash Inflow & 75% of Total Weighted Value (Average) of Cash Outflows			(c) 6.36
(D) <u>Net Cash Outflows</u>			
Total Weighted Value (Average) Cash Outflow Less Minimum of Total Cash Inflow & 75% of Total Weighted Value (Average) Cash Outflows			(d) 75.17
(E) <u>Liquidity Coverage Ratio</u>			
- High Quality Liquid Assets (= a)			116.04
- Divide : Net Cash Flows (= d)			75.17
			(e) <u>154.36%</u>

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- 28 (d)** 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 (e)** The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.
- 28 (f)** 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 (g)** 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 (h)** 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 (i)** All applicable charges and/or satisfaction thereof are duly registered with the Registrar of Companies.
- 28 (j)** Balance Confirmation from various parties are still awaited as on Balance Sheet date.
- 28 (k)** Previous year figures have been regrouped and re-arranged, wherever necessary, to confirm to the current year's classification.

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NOTE - 29 :

29 (a) Fair value measurement

(i) Category wise classification of financial instruments

Particulars	As at 31-Mar-24	As at 31-Mar-23
A. <u>Financial assets:</u>		
<u>Carried at amortised cost</u>		
Cash and cash equivalents	54.99	44.54
Other Bank Balance	61.05	76.06
Loans	1,293.49	668.70
Investments	0.00	0.00
Other financial assets	65.77	270.16
TOTAL	1,475.30	1,059.46
<u>Carried at FVTPL</u>		
Investments	976.20	1,306.08
TOTAL	976.20	1,306.08
<u>Carried at FVTOCI</u>		
Investments	551.11	379.46
TOTAL	551.11	379.46
TOTAL	3,002.61	2,744.99
B. <u>Financial liabilities</u>		
<u>Measured at amortised cost</u>		
Borrowings	70.90	151.09
Other financial liabilities	10.95	35.74
TOTAL	81.85	186.83

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(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-24	As at 31-Mar-23
<u>Level 1 (Quoted prices in active market)</u>		
<u>Financial assets measured at FVTOCI</u>		
Investments in Quoted equity Instruments	551.11	379.42
<u>Financial assets measured at FVTPL</u>		
Investments in Mutual Funds	661.51	1,018.88
Investments in Exchange Traded Fund	208.83	79.75
Investments in Debentures	1.01	2.06
Investments in Bonds	104.85	205.40
<u>Level 3 (Significant unobservable inputs)</u>		
<u>Financial assets measured at FVTOCI</u>		
Investments in Unquoted Equity Instruments	0.00	0.04
TOTAL	1,527.31	1,685.54

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(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 approximate their carrying amounts of these instruments, as discussed below:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Carrying Value	Fair value	Carrying Value	Fair value
<u>Financial assets:</u>				
Cash and cash equivalents	54.99	54.99	44.54	44.54
Other Bank Balance	61.05	61.05	76.06	76.06
Loans	1,293.49	1,293.49	668.70	668.70
Investments	0.00	0.00	0.00	0.00
Other financial assets	65.77	65.77	270.16	270.16
<u>Financial liabilities</u>				
Borrowings	70.90	70.90	151.09	151.09
Other financial liabilities	10.95	10.95	35.74	35.74

29 (b) Maturity Analysis of assets and liabilities (Contd.)

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Particulars	As at 31 March 2024		As at 31 March 2023	
	< 12 months	>12months	< 12 months	>12months
ASSETS				
Financial Assets				
Cash and cash equivalents	54.99	0.00	44.54	0.00
Other bank balances	61.05	0.00	76.06	0.00
Loans	1,266.78	26.71	596.20	72.50
Investments	0.00	1,527.31	0.00	1,685.54
Other Financial Assets	65.77	0.00	270.16	0.00
Total Financial Assets	1,448.59	1,554.02	986.96	1,758.04
Non-financial Assets				
Current tax assets (Net)	69.53	0.00	56.58	0.00
Deferred tax assets (Net)	0.00	0.00	6.90	0.00
Property, plant and equipment	0.00	25.51	0.00	36.51
Other non-financial assets	3.78	0.00	11.54	0.00
Total Non Financial Assets	73.32	25.51	75.02	36.51
Total Assets	1,521.91	1,579.53	1,061.98	1,794.55
Liabilities				
Financial Liabilities				
Borrowings (other than debt securities)	70.90	0.00	151.09	0.00
Other financial liabilities	10.95	0.00	35.74	0.00
Total Financial Liabilities	81.85	0.00	186.83	0.00
Non-Financial Liabilities				
Deferred tax Liabilities (Net)	36.75	0.00	0.00	0.00
Other non-financial liabilities	6.73	0.00	2.10	0.00
Total Non Financial Liabilities	43.48	0.00	2.10	0.00
Total Liabilities	125.33	0.00	188.93	0.00
Net Equity	1,396.57	1,579.53	873.05	1,794.55

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(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 financial 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, 2024

(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-24	As at 31-Mar-23
Borrowings at variable interest rate	0.00	0.00
Borrowings at fixed interest rate	70.90	151.09
Total Borrowings	70.90	151.09
 Percentage of borrowings at variable interest rate	 0.00	 0.00

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:

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Carrying Value	
	31-Mar-24	31-Mar-23
Investments carried at FVTPL or FVOCI valued using quoted prices in active market	1,527.31	1,685.50

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 2024	152.73	(152.73)
Impact on total comprehensive income for year ended 31 March 2023	168.55	(168.55)

(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 it's cash flows and asset liability patterns to ensure that the financial obligations are satisfied in timely manner.

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4/1, MIDDLETON STREET, 4TH FLOOR,
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(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
As at 31 March 2024				
Borrowings (other than debt securities)	70.90	0.00	0.00	70.90
Other financial liabilities	10.95	0.00	0.00	10.95
	81.85	0.00	0.00	81.85
As at 31 March 2023				
Borrowings (other than debt securities)	151.09	0.00	0.00	151.09
Other financial liabilities	35.74	0.00	0.00	35.74
	186.83	0.00	0.00	186.83

(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.

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.

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, 2024

(All amounts in ₹ lacs, unless otherwise stated)

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	As at
	31-Mar-24	31-Mar-23
Borrowings	70.90	151.09
Less: Cash and cash equivalents	54.99	44.54
Adjusted net debt	15.90	106.55
Total equity (*)	2,976.10	2,667.59
Net debt to equity ratio	0.01	0.04

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

In Terms of our report of even date

For, MANDAWEWALA & CO.

Chartered Accountants

Sd/-

[CA. ANIL KR. MANDAWEWALA]

Partner

FRN: 322130E, M. NO: 055939

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

Dated : The 29th day of May , 2024

For and on behalf of the Board

Sd/-

SANJAY KUMAR GUPTA

Executive Director, DIN 00213467

Sd/-

ALOKE KUMAR GUPTA

Chief Financial Officer, DIN 00825331

Sd/-

SANJAY KUMAR GUPTA

Company Secretary

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, 2024

NOTE - 30 : Scale Based Regulation (SBR) - Disclosure

The following disclosures are being made pursuant to Paragraph 27 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued on 19.10.2023 by the Reserve Bank of India.

For the purpose of the Scale Based Regulation Disclosures, the Company falls under the category of NBFCs - Base Layer (NBFC - BL) entity. Henceforth, the disclosures hereunder have been made as applicable to NBFC Base Layer entities.

(a) LOAN TO DIRECTORS, SENIOR OFFICERS AND RELATIVES OF DIRECTOR

The following amount of Loans have been sanctioned to the following category of persons in accordance with the policy approved by the Board for grant of Loan to directors, senior officers and relatives of directors and to entities where directors or their relatives have major

(` in Crore)

<u>Particulars</u>	<u>Current Year</u>	<u>Previous Year</u>
(a) Directors and their relatives	2.23	2.11
(b) Entities associated with directors and their relatives.	9.91	2.20
(c) Senior Officer and their relatives	0.00	0.00

(b) EXPOSURE

1) Exposure to Real Estate Sector

(` in Crore)

<u>Category</u>	<u>Current Year</u>	<u>Previous Year</u>
<i>(i) Direct Exposure</i>		
(a) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	0.00	0.00
(b) Commercial Real Estate -		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	0.00	0.00
(c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -	0.00	0.00

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

<i>(ii) Indirect Exposure</i>		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	0.00	0.00
Total Exposure to Real Estate Sector	0.00	0.00

2) Exposure to Capital Market

(` in Crore)

<u>Particulars</u>	<u>Current Year</u>	<u>Previous Year</u>
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	11.00	7.91
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	0.00	0.00
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	0.00	0.00
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	0.00	0.00
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	0.00	0.00
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	0.00	0.00
(vii) Bridge loans to companies against expected equity flows / issues	0.00	0.00
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	0.00	0.00

PARAGON FINANCE LIMITED

4/1, MIDDLETON STREET, 4TH FLOOR,

KOLKATA - 700 071.

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(ix) Financing to stockbrokers for margin trading	0.00	0.00
(x) All exposures to Alternative Investment Funds :		
(i) Category I	0.00	0.00
(ii) Category II	0.00	0.00
(iii) Category III	0.00	0.00
Total Exposure to Capital Markets	11.00	7.91

3) Sectoral Exposure : Attached in a separate sheet annexed

4) Intra Group Exposures

(` in Crore)

<u>Particulars</u>	<u>Current Year</u>	<u>Previous Year</u>
(i) Total Amount of Intra Group Exposures	12.14	4.31
(ii) Total Amount of Top 20 Intra Group Exposures	12.14	4.31
(iii) Total Exposure of the NBFC on Borrower / Customers	13.58	7.25
(iv) Percentage of Intra Group Exposure tp Total Exposure of the NBFC on Borrower / Customers	89.40%	59.47%

5) Unhedged Foreign Currency Exposure

The Company does not have any exposure in Foreign Currency in Current Year & Previous Year. Hence, the Company has no Unhedged Foreign Currency Exposure.

(C) RELATED PARTY DISCLOSURE (Attached in a separate sheet annexed)

(D) DISCLOSURE OF COMPLAINTS

The Company has not received any complaints from customers and from the Offices of the Ombudsman under The Reserve Bank - Integrated Ombudsman Scheme, 2021 during the Current Year as well as Previous Year. Hence, no separate disclouse is made in this regard.

As per our report of even date

For and on behalf of the Board

FOR, MANDAWEWALA & CO.
Chartered Accountants

Sd/-
[CA. ANIL KR. MANDAWEWALA]
Partner
FRN: 322130E, M. NO: 055939

Sd/-
SANJAY KUMAR GUPTA
Executive Director, DIN 00213467

Sd/-
ALOKE KUMAR GUPTA
Chief Financial Officer, DIN 00825331

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

Dated : The 29th day of May , 2024

Sd/-
SANJAY KUMAR GUPTA
Company Secretary

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, 2024.

NOTE - 30 : Scale Based Regulation (SBR) - Disclosure (Contd.)

3) Sectoral Exposure

₹ in Crore

Sectors	CURRENT YEAR			PREVIOUS YEAR		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	0.00	0.00	0%	0.00	0.00	0%
2. Industry						
(i) Food & Beverages	0.00	0.00	0%	0.00	0.00	0%
(ii) Textiles	0.00	0.00	0%	0.00	0.00	0%
(iii) Packaging	0.25	0.25	100%	0.26	0.26	100%
(iv) Machinery & Equipment	0.00	0.00	0%	0.00	0.00	0%
Total of Industry (i - iv)	0.25	0.25	100%	0.26	0.26	100%
3. Services						
(i) NBFC's	7.05	0.00	0%	1.46	0.00	0%
(ii) Commercial Real Estate	0.00	0.00	0%	0.00	0.00	0%
(iii) Tourism	0.00	0.00	0%	0.00	0.00	0%
(iv) Transport	0.00	0.00	0%	0.00	0.00	0%
(v) Other Service	0.00	0.00	0%	0.00	0.00	0%
Total of Services (i - v)	7.05	0.00	0%	1.47	0.00	0%
4. Personal Loans	0.00	0.00	0%	0.00	0.00	0%
5. Others, in any (please specify)						
(i) Vehicle Loans	1.19	0.38	32%	2.68	0.51	19%
(ii) Other Loans	5.09	0.00	0%	2.85	0.00	0%
Total of Others (i + ii)	6.28	0.38	6%	5.53	0.51	9%

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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024.

NOTE - 30 : Scale Based Regulation (SBR) - Disclosure (Contd.)

(c) RELATED PARTY DISCLOSURE

` in Crore

RELATED PARTY	Parent (as per ownership or control)		Subsidiaries		Associates / Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Others - Enterprises over which Key Management Personnel or their relatives have significant influence		Total		
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
<u>Borrowings</u>															
- Outstanding at the end of the year	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.7090	1.5109	0.7090	1.5109
- Maximum during the year	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0545	0.0000	0.0000	0.0000	2.6339	4.4231	2.6339	4.4776
<u>Deposits</u>															
- Outstanding at the end of the year	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
- Maximum during the year	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<u>Placement of Deposits</u>															
- Outstanding at the end of the year	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
- Maximum during the year	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<u>Advances</u>															
- Outstanding at the end of the year	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	2.2300	2.1100	9.9112	2.2025	12.1412	4.3125
- Maximum during the year	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	5.2600	3.1500	5.7500	13.3903	10.8251	16.5403	21.8351	
<u>Investments</u>															
- Outstanding at the end of the year	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
- Maximum during the year	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<u>Purchase of Fixed / Other Assets</u>															
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<u>Sale of Fixed / Other Assets</u>															
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<u>Interest Paid</u>															
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000	0.0323	0.0269	0.0323	0.0271
<u>Interest Received</u>															
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0413	0.1665	0.1287	0.3455	0.1785	0.5120	0.3485	
<u>Others*</u>															
(i) Salary / Remuneration	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.4520	1.4520	0.0000	0.0000	0.0000	0.0000	1.4520	1.4520	

PARAGON FINANCE LIMITED

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

[as required in terms of paragraph 31 of Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023]

Particulars	(₹ in lakhs)	
Liabilities Side :		
(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :	Amount Outstanding	Amount Overdue
(a) Debentures : Secured	NIL	NIL
: Unsecured (Other than falling within the meaning of public deposits)*	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	70.90	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits*	NIL	NIL
(g) Other Loans (specify nature)	NIL	NIL
NIL	NIL	NIL
*Please see note 1 below		
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued there on but not paid) :		
(a) In the form of Unsecured Debentures	NIL	NIL
(b) In the form of Partly secured Debentures i.e. Debentures where there is a shortfall in the value of security	NIL	NIL
(c) Other Public Deposits	NIL	NIL
*Please see note 1 below		
Assets side :		
	Amount Outstanding	
(3) Break-up of Loans and Advances including bills receivables [Other than those included in (4) below] :		
(a) Secured	NIL	
(b) Unsecured	1,302.74	
(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities :		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	NIL	
(b) Operating Lease	NIL	
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire	NIL	
(b) Repossessed Assets	NIL	
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	NIL	
(b) Loans other than (a) above	119.08	

PARAGON FINANCE LIMITED

(5) Break - up of Investments :			
Current Investments :			
1. Quoted :			
(i) Shares :	(a) Equity		NIL
	(b) Preference		NIL
(ii) Debentures and Bonds			NIL
(iii) Units of Mutual funds			NIL
(iv) Government Securities			NIL
(v) Others (Please Specify)			NIL
2. Unquoted :			
(i) Shares :	(a) Equity		NIL
	(b) Preference		NIL
(ii) Debentures and Bonds			NIL
(iii) Units of Mutual funds			NIL
(iv) Government Securities			NIL
(v) Others (Please Specify)			NIL
Long Term Investment :			
1. Quoted :			
(i) Shares :	(a) Equity		551.11
(ii) Debentures and Bonds			105.86
(iii) Units of Mutual funds			870.34
(iv) Government Securities		NIL	
(v) Others (Please Specify)		NIL	
2. Unquoted :			
(i) Shares :	(a) Equity		0.00
	(b) Preference		NIL
(ii) Debentures and Bonds			NIL
(iii) Units of Mutual funds			NIL
(iv) Government Securities			NIL
(v) Others (Please Specify)			NIL

(6) Borrower group-wise classification of assets financed as in (3) and (4) 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	703.36	703.36
(c) Other related parties	NIL	507.73	507.73
2. Other than related parties	82.38	63.70	146.08
Total	82.38	1,274.79	1,357.17

PARAGON FINANCE LIMITED

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : Please see note 3 below		
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	1,527.31	1,527.31
Total	1,527.31	1,527.31
(8) Other Information		
Particulars		Amount
(i) Gross Non-Performing Assets		
(a) Related parties		NIL
(b) Other than related parties		0.00
(ii) Net Non-Performing Assets		
(a) Related parties		NIL
(b) Other than related parties		0.00
(iii) Assets acquired in satisfaction of debt		NIL

IN TERMS OF OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For, MANDAWEWALA & CO.
Chartered Accountants

Sd/-
[CA. ANIL KR. MANDAWEWALA]
Partner
FRN: 322130E, M. NO: 055939

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

Dated : The 29th day of May , 2024

Notes :

1. As defined in Paragraph 5.1.26 Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.
2. Provisioning norms shall be applicable as prescribed in the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023
3. All notified Accounting Standards(IndAS) 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(Ammortised Cost in the case of Ind AS) or current(fair value in the case of Ind AS) in column (5) above.

** As per IndAs of ICAI (Please see Note 3)

Sd/-
SANJAY KUMAR GUPTA
Executive Director, DIN 00213467

Sd/-
ALOKE KUMAR GUPTA
Chief Financial Officer, DIN 00825331

Sd/-
SANJAY KUMAR GUPTA
Company Secretary