

CIN : U24304GJ2018PLC105071

An ISO 9001 : 2015 Certified Company
An ISO 14001 : 2015 Certified Company
An ISO 45001 : 2018 Certified Company
SA 8000 : 2014 Certified Company



Energising Chemistry....

PARAGON

FINE & SPECIALITY CHEMICAL LTD.

Date: 05.09.2024

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra (E)
Mumbai – 400051

Symbol: PARAGON

Sub: Annual General Meeting- Annual Report 2023-2024 including Notice of AGM

Dear Sir/Madam,

This is to inform that the Annual General Meeting (“AGM”) of the company will be held on Saturday, 28th September, 2024 at 12:00 noon (IST), at the registered office of the company situated at 1001/1, Parshwa Tower, Nr Pakvan Hotel, S. G. Highway, Bodakdev, Ahmedabad, Gujarat, India, 380054.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with Notice of AGM which will be sent through electronic mode to the shareholders.

The Annual Report containing the Notice is also uploaded on the Company’s website www.paragonind.com

You are requested to please take the same on your record.

Thanking You,

For Paragon Fine and Speciality Chemical Limited

Pravinchandra Jasmat Vasolia
Managing Director
DIN: 02896534



CORPORATE OFFICE :

1001/1, Parshwa Towers, B/H Pakvan-II, Judges Bungalows, S. G. Highway, Ahmedabad -380054. Gujarat, India.
Phone : +91-79-35335483 • Email : info@paragonind.com • Website : www.paragonind.com

PLANT ADDRESS :

Viramgam co.op.ind. Estate, Opp. Balapir Dargah, Viramgam-382150. Dist. Ahmedabad, Gujarat-India.
Phone : +91 - 079-29900247 • Email : info@paragonind.com • Website : www.paragonind.com

PARAGON FINE AND SPECIALITY CHEMICAL LIMITED

**6TH ANNUAL REPORT
2023-24**

**REGISTERED OFFICE:
1001/1, PARSHWA TOWER, NR PAKVAN HOTEL, S.G.
HIGHWAY, BODAKDEV, AHMEDABAD,
GUJARAT, INDIA, 380054**

CORPORATE INFORMATION

Board of Directors

Mr. Pravinchandra Jasmat Vasolia	Managing Director
Mr. Vallabh Ratanji Savaliya	Whole-time Director
Mr. Kishorkumar Panchabhai Patolia	Whole-time Director
Mr. Rutesh Vallabhbhai Savalia	Whole-time Director
Mr. Shivam Kishorbhai Patolia	Whole-time Director
Mr. Kishankumar Dhirajlal Tilva	Independent Director
Mr. Soumitra Sachipati Banerjee	Non- Executive Director
Mr. Jasmin Jasmatbhai Patel	Independent Director
Ms. Insiya Qaidjohar Nalawala	Independent Director

Company Secretary

CS Sonalkumari Kalpesh Yadav (Appointed w.e.f. April 24, 2024)
CS Vrunda Upendra Dattani (Resigned w.e.f. January 29, 2024)

Chief Financial Officer

Mr. Nikita Kiritbhai Muliya

Audit Committee	Nomination and Remuneration Committee	Stakeholder Relationship Committee	Corporate Social Responsibility Committee
<ul style="list-style-type: none">Jasmin Patel ©Insiya Qaidjohar NalawalaPravinchandra Vasolia	<ul style="list-style-type: none">Kishankumar Tilva ©Jasmin PatelSoumitra Banerjee	<ul style="list-style-type: none">Soumitra Banerjee ©Rutesh SavaliaKishankumar Tilva	<ul style="list-style-type: none">Kishankumar Tilva ©Vallabh SavaliyaPravinchandra Vasolia

© Chairperson

Statutory Auditors	Secretarial Auditors	Internal Auditors
M/s. Surana Maloo & Co Chartered Accountants	M/s. Krushang Shah & Associates Company Secretaries	M/s. K A R M A & CO LLP Chartered Accountants

Registrar & Share Transfer Agent

M/s Bigshare Services Private Limited

Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai - 400093.
Telephone- +91-022-62638200; E-mail: ipo@bigshareonline.com
Website: www.bigshareonline.com

Manufacturing of the Company Viramgam Co. op. Ind. Estate Ltd, Plot no. 4 & 5, Situated at Survey No. 1359, 1360 Village-Viramgam Taluka- Viramgam, District-Ahmedabad-382150, Gujarat.	Registered Office 1001/1, Parshwa Tower, Near Pakvan Hotel, S.G. Highway, Bodakdev, Ahmedabad, Gujarat-380054, India
Contact Number- +917935335483 Website – www.paragonind.com E mail: - cs@paragonind.com	

BRIEF BIOGRAPHIES OF OUR DIRECTORS:

Dr. PRAVINCHANDRA JASMAT VASOLIA

Dr. Pravinchandra Jasmat Vasolia aged 58 years is the Managing Director and promoter of our Company. He has been on the Board of Directors since incorporation. He has completed Ph. D in law in the year 2009 from Saurashtra University. He has completed LLM in the year 2002 from Saurashtra University and has also completed B.com in the year 1986 from N.P Arts and Commerce College, Saurashtra University and has an overall experience of around 32 years in the chemical industry and in the field of finance and law. He looks after the legal and financial activities of the company and played a significant role in the growth of the company.

KISHORKUMAR PANCHABHAI PATOLIA

Kishorkumar Panchabhai Patolia aged 55 years is the Whole Time Director and promoter of our Company. He has been associated with our company since incorporation. He has completed master of science in Pathology and Microbiology in the year 1995 from M.P Shah Medical College. He has an experience of around 30 years and has gained technical expertise in the field of chemistry and pathology, marketing and management. Currently he looks after marketing activities of the company. He is also appointed member of Central Advisory Board of Specialty Chemicals World Expo 2024.

VALLABH RATANJI SAVALIA

Vallabh Ratanji Savalia aged 61 years is the Whole Time Director and promoter of our Company. He has been on the Board of Directors since incorporation. He has completed B.E in Chemical Engineering in the year 1987 from Bangalore University. He has a work experience of around 35 years in the chemical industry. He looks after production, planning and procurement activities of the company.

RUTESH VALLABHBHAI SAVALIA

Rutesh Vallabhbhai Savalia aged 31 years is the Director and promoter of our Company. He has completed Master of Science in chemistry in the year 2014 from Indian School of Mines, Dhanbad. He has also completed Post Graduate diploma in marketing in the year 2021 from NMIMS University. He is pursuing Ph.D. in Organic Chemistry from Institute of Chemical Technology formerly UDCT, Mumbai. He has a work experience of around 5 years in the field of marketing and research and development in chemistry. He looks after Business Development and R&D activities of the company.

SHIVAM KISHORBHAI PATOLIA

Shivam Kishorbhai Patolia aged 25 years is the Director and promoter of our Company. He holds the degree Master of Science with merit in Investment and Wealth Management in the year 2022 from Imperial College of Science, Technology and Medicine, London. He has an experience of around 1 year in engineering. He looks after manufacturing activities of the company.

DR. SOUMITRA SACHIPATI BANNERJEE

Dr. Soumitra Sachipati Bannerjee aged 63 years is the Non- Executive Director of our Company. He has completed Ph. D from University of Texas in Austin, USA. He also holds MBA degree from IIM, Ahmedabad. He has an experience of 30 years in the field of Life sciences, Speciality Chemicals and Medical Devices.

JASMIN JASMATBHAI PATEL

Jasmin Jasmatbhai Patel aged 45 years is the Independent Director of our Company. He is a member of The Institute of Chartered Accountants of India since 2005. He has an experience of around 17 years in management consultancy and business development.

INSIYA QAIDJOHAR NALAWALA

Insiya Qaidjohar Nalawala aged 28 years is the Independent Director of our Company. She is a member of The Institute of Company Secretaries of India since 2019 and holds the certificate of practice from year 2020. She has completed graduation in law in the year 2019 from Gujarat University and commerce in the year 2017 from Gujarat University. She has an experience of 3 years in providing consultation in the field of secretarial compliances.

KISHANKUMAR DHIRAJLAL TILVA

Kishankumar Dhirajlal Tilva aged 31 years is the Independent Director of our Company. He is a member of The Institute of Chartered Accountants of India since 2019. He has an experience of 4 years in the filed of finance and accounts

BOARD'S REPORT

Dear Shareholders,

The Board of Directors are pleased to present the 6th Annual Report of the Company together with its Audited Financial Statements for the Financial Year ('FY') ended March 31, 2024.

FINANCIAL PERFORMANCE

During the year under review, the performance of your Company was as under:

(Rs. in Lakhs)

Particulars	Standalone	
	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Revenue from Operations	12132.73	10405.53
Other Income	133.25	95.66
Total Revenue	12265.99	10501.19
Expenditure	10342.37	9144.67
Profit Before Tax	1923.62	1356.52
Provision for Current Tax, Deferred Tax & Other Tax Expenses	492.54	370.82
Profit After Tax	1431.08	985.71
EPS (Basic & Diluted)	8.66	27.38

STATE OF COMPANY'S AFFAIRS

Your Company has achieved a total income of Rs. 12265.99 Lakh during the year under review as against Rs. 10501.19 Lakh in the previous financial year. The net profit after tax of the Company for the year under review is Rs. 1431.08 Lakh as compared to profit of Rs. 985.71 Lakh for the previous year. The net profit before tax for the year under review is Rs. 1923.62 Lakh as compared to profit of Rs. 1356.52 Lakh for the previous year.

FUTURE OUTLOOK

Our company is well-poised to capitalize on opportunities and initiatives by the Government of India, creating value for all of the stakeholders involved, in the process. We believe a significant demand for our products is generated in India owing to our government's objective to enhance domestic sourcing as well as self-reliance, and that our ability to supply chemical intermediates enables us to tap growth opportunities. We also intend to capitalize on the unutilized capacity at our manufacturing facility to further increase production of our current portfolio and take advantage of the experience of our sales and marketing team to increase our visibility in the domestic and international market.

CHANGE IN NATURE OF BUSINESS

There has been no change in nature of the Business during the year under review.

DIVIDEND

With a view to conserve the resources for expansion of the business activities and working capital requirements of the Company, the board of directors of the Company have not recommended any

dividend for the year under review (Previous Year: Nil). There is no unclaimed/unpaid Dividend within the meaning of the provisions of Section 125 of the Companies Act, 2013.

The Company has adopted the Dividend Distribution Policy and the said policy is available on the website of the Company i.e. www.paragonind.com under investor section.

DEPOSITS

The Company has not accepted deposits from the public during the year under review. No deposits were outstanding at the beginning or at the closure of the financial year under review.

CHANGE IN CAPITAL STRUCTURE:

During the year the capital structure went below changes:

- The Company had increased its authorized capital from Rs. 12,00,00,000/- lakhs to Rs. 20,00,00,000/-.
- The Company had issued and allotted 1,08,00,000 number of Equity shares pursuant to Bonus Shares.
- The Company had issued 51,66,000 number of equity shares under Initial public offering (IPO).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Particulars of loans, guarantees or investments pursuant to Section 186 of the Companies Act, 2013 are provided in the notes to the financial statements.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have subsidiary company, joint venture or associate companies during the year.

There is no company, which has ceased to be Company's subsidiary, joint venture or associate company during the year. The Company does not require to prepare consolidated financial statements.

CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board of Directors and Key Managerial Personnel underwent changes set out below:

During the year under review:

Mr. Rutesh Vallabhnbhai Savalia and Mr. Shivam Kishorbhai Patolia were appointed as the Directors of the Company w.e.f. July 14, 2023 and with the approval of Members they were re-designated as Whole-time Director of the Company w.e.f. July 19, 2023.

Mr. Jasmin Jasmatbhai Patel was appointed as additional Independent Director w.e.f. June 26, 2023 and with the approval of Members he was regularize as Independent Director of the Company.

Ms. Insiya Qaidjohar Nalawala was appointed as additional Independent Director w.e.f. July 14, 2023 and with the approval of Members she was regularize as Independent Director of the Company.

Mr. Kishankumar Dhirajlal Tilva was appointed as additional Independent Director w.e.f. July 14, 2023 and with the approval of Members he was regularize as Independent Director of the Company.

Ms. Vrunda Upendra Dattani had resigned from the post of Company Secretary and Compliance officer of the Company w.e.f. January 29, 2024.

Subsequent changes in composition till the date of this Report:

Ms. Sonalkumari Kalpesh Yadav was appointed as the Company Secretary and Compliance officer of the Company w.e.f. April 24, 2024.

Mr. Vallabh Ratanji Savaliya and Mr. Soumitra Sachipati Banerjee, Directors of the Company, being longest in office, retires by rotation and being eligible, offers themselves for reappointment.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from each of the Independent Directors to the effect that, they respectively meet the criteria of independence as stipulated under Section 149 (6) of the Companies Act, 2013 read with the schedules, rules made thereunder and Regulation 16(1) (b) and Regulation 17 of the Listing Regulations. The Board has assessed the veracity of the same to their satisfaction. The Board of Directors have satisfied themselves about the integrity, expertise and experience (including the proficiency) of the independent directors of the Company.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the Nomination and remuneration policy for the Directors, Key Managerial Personnel and Senior Management Personnel as per Section 178(3) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time is available on the website of the Company i.e. www.paragonind.com under investor section.

PARTICULARS OF REMUNERATION OF DIRECTORS / KMP / EMPLOYEES

Disclosures required pursuant to the provisions of Section 197(12) of the Act read with Rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report and appears at "Annexure 1".

NUMBER OF MEETINGS OF THE BOARD

During the year under review, the Board of Directors of the Company duly met 14 (Fourteen) times. The applicable details of these Board meetings including the attendance of the Directors at those meetings are given in the report on Corporate Governance which forms part of the Annual Report.

COMMITTEES OF THE BOARD

The Company has the following 4 (Four) Board Committees which have been established in compliance with the requirement of applicable law(s) and statute(s) and function accordingly:

- Audit Committee
- Nomination and remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board adopted the evaluation performed by the Independent Directors on the Board's performance carried out in accordance with the requirements of LODR Reg. 25(4)(a). which took into account factors like 'compliances with the provisions of the applicable act(s), rules, regulations' and 'corporate governance norms'. Satisfaction has been recorded about the performance based on the aforesaid criteria. The performance of the Committees was adjudged based on the criteria like 'adequacy of composition, execution and performance of specific duties, obligations and governance, quorum, compliance with procedures applicable for the conduct of meetings, and review of the past recommendations and decisions of the committees. The Board records its satisfaction about the performance of all the committees of the Board. The performance evaluation of Chairperson of the Company has been carried out by the Independent Directors in accordance with LODR Reg. 25(4)(b) and stands duly adopted by the Board. The performance evaluation of non-independent directors has been carried out by the Independent Directors in accordance with LODR Reg. 25(4)(a) and it has been likewise adopted by the Board. The remaining members of the Board were evaluated at the Board Meetings based on various parameters like attendance, level of their engagement, contribution, independency of judgment, contribution in safeguarding the interest of the Company and other relevant factors.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- They had 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 at the end of the financial year and of the profit and loss of the company for that period;
- They 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;
- They had prepared the annual accounts on a going concern basis;
- They had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND THEIR REPORTS

Statutory Auditor

Pursuant to the provisions of the section 139 of the Act. The Members of the Company had appointed M/s Surana Maloo & Co, Chartered Accountants (FRN: 112171W) as statutory auditor of the Company.

The Auditor's Report for the financial year ended 31st March, 2024 does not contain any qualification, adverse remark, reservation or disclaimer and therefore, does not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Board of Directors, on the recommendation of the Audit Committee, have proposed the re-appointment of M/s Surana Maloo & Co, Chartered Accountants (FRN: 112171W) as the Statutory Auditors of the Company for the period of next 5 years (FY 2024-25 to 2028-29), subject to approval of the Shareholders at the ensuing Annual General Meeting.

Secretarial Auditor

M/s. Krushang Shah & Associates, Practicing Company Secretaries, is appointed as the Secretarial Auditors, to conduct the audit of secretarial records of the Company for the financial year ended on March 31, 2024 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is annexed to this Report as Annexure-2.

With regards to the qualification of none filling of form MR-1, we would like to inform that the Company has unintentionally miss out the said filling. The Company will take necessary steps of filling the same.

COST AUDITORS

M/s Divyesh Vagadiya & Associates, Cost Accountants have been duly re-appointed as the Cost Auditors for the financial year 2024-25. The cost records as specified by the central government under subsection (1) of section 148 of the Companies Act, 2013, are made and maintained by the Company.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls in order to ensure that the financial statements of the Company depict a true and fair position of the business of the Company. The Company continuously monitors and looks for possible gaps in its processes and its devices and adopts improved controls wherever necessary.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There has been no material changes and commitments, that affect the financial position of the Company from the end of the financial year of the Company to which the financial statements relate till the date of the directors' report.

RISK MANAGEMENT

The Board of your Company has adopted Risk Management plan to create and protect shareholders value by identifying and mitigating major operating, and external business risk. Currently the board is

responsible for reviewing the risk management plan and ensuring its effectiveness. The Company recognizes that the emerging and identified risks need to be managed and mitigated to (a) protect its shareholders and other stakeholders' interest; (b) achieve its business objectives; and (c) enable sustainable growth.

The details of various risks that are being faced by the Company are provided in Management Discussion and Analysis Report, which forms part of this Report.

ANNUAL RETURN OF THE COMPANY

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2024 is available on the Company's website i.e. www.paragonind.com under investor section.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Related party transactions, if any, that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. The information on transactions with related parties, compiled in Form AOC-2, appears at "Annexure 3" to this report.

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

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, appears at "Annexure 4" to this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with the requirements of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee.

The details of the CSR Committee Meetings and the attendance of the Members at the meetings along with other details appears in the Report on Corporate Governance which forms part of this Annual Report.

The annual report on CSR in the prescribed form appears at "Annexure 5" to this Report. The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR Committee are available on the website of the Company i.e. www.paragonind.com under investor section.

CORPORATE GOVERNANCE REPORT

The provisions mentioned in para C, D and E of Schedule V are not applicable to our Company. However, the Company has voluntarily attached report on "Corporate Governance" except a Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report, highlighting the important aspects of the business of the Company appears separately in the Annual Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company provides an avenue to the Directors and Employees of the Company to report without fear any instance of actual or suspected violation, wrong doings or any illegal or unethical or improper practice which may adversely impact the image and / or the financials of the Company. For this, the Company has in place a Vigil Mechanism Policy (Whistle Blower Policy) for Directors and employees to report genuine concerns.

This provides for adequate safeguards against victimization of employees and Directors who wish to use the vigil mechanism to bring any wrong deed(s) to the notice of the Company.

During the year under review, the implementation of the vigil mechanism has been properly and regularly monitored by the Audit Committee. However, no complaints or instances in this regard have been reported. The said policy is available on the Company's Website i.e. www.paragonind.com under investor section.

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

No complaints pursuant to the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been received during the year under review. Further, the Company did not require to constitute Internal Complaints Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

GENERAL

Your directors state that no disclosure or reporting is required in respect of the following matters under the Companies Act, 2013, and SEBI Regulations either on account of absence of any transaction or the inapplicability of the provisions:

- Reporting of fraud(s) by the Auditors within the meaning of Section 143(12) of the Companies Act, 2013.
- The Company has not transferred an amount to capital reserve during the year.
- Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.
- Regulation 32 (4) of SEBI LODR Regulations regarding explanation for the variation in the utilisation of money raised by public issue.

- Disclosure pursuant to section 43(1) read with Rule 4(4) of Companies (share capital and debenture) rules, 2014 regarding issue of equity shares with differential rights.
- Details of any scheme for providing money for the purchase of shares of the Company by employees for the benefit of employees.
- Issue of shares (including sweat equity shares) to the employees of the Company under any scheme.
- Performance and Financial position of the Subsidiary Companies /Joint Venture/ Associate company.
- The company has not bought back any of its securities/ not issued any sweat equity shares / not provided any Stock Option Scheme to its employees / not issued any equity shares with differential rights.
- Receipt of any commission from the Company or remuneration from any of its subsidiary by the Managing Director or the Whole time Directors of the Company as per section 197(14).
- Revision in the financial statements (apart from regrouping adjustments) or directors' report in any of the three preceding financials years.
- Significant or material orders passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

ACKNOWLEDGMENT

Your directors place on records their gratitude to the Central Government, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. Your directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

**For and on behalf of the Board of Directors of
PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**

**PRAVINCHANDRA VASOLIA
MANAGING DIRECTOR
DIN- 02896534**

**VALLABH SAVALIYA
WHOLE-TIME DIRECTOR
DIN- 00155542**

**Date- September 5, 2024
Place- Ahmedabad**

DETAILS PERTAINING TO REMUNERATION

[As required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year ended March 31, 2024 and the percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year ended March 31, 2024 is as under:

Name of Director / Key Managerial Personnel	Ratio of remuneration of each Director/KMP to the Median remuneration of Employees	% Increase in remuneration in the financial year ended March 31, 2024
Executive Directors		
Mr. Pravinchandra Jasmat Vasolia Managing Director	45.87	NIL
Mr. Vallabh Ratanji Savaliya Whole-time Director	45.87	NIL
Mr. Kishorkumar Panchabhai Patolia Whole-time Director	45.87	NIL
Mr. Rutesh Vallabhbhai Savalia Whole-time Director	12.47	NA*
Mr. Shivam Kishorbhai Patolia Whole-time Director	3.90	NA*
Non-Executive Directors		
Mr. Soumitra Sachipati Banerjee Non-Executive Director	NA	NA
Mr. Kishankumar Dhirajlal Tilva Independent Director	0.21	NA
Mr. Jasmin Jasmatbhai Patel Independent Director	0.21	NA
Ms. Insiya Qaidjohar Nalawala Independent Director	0.21	NA
Key Managerial Personnel		
CS Vrunda Upendra Dattani (Resigned w.e.f. 29.01.2024) Company Secretary	0.54	NA
Mrs. Nikita Kiritbhai Muliya Chief Financial Officer	5.74	NA*

* Remuneration is not comparable as they are in normal employment and during the year they were appointed as KMP.

- The percentage increase in the median remuneration of employees in the financial year: 8%
- The number of permanent employees on the rolls of company: 77
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial

remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Nil

- d) Remuneration of Directors, KMP and other employees is in accordance with the Company's Remuneration Policy.
- e) Statement of particulars of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2024-

1. Top 10 employees in terms of remuneration drawn during the year:

Name of Employee	Designation	Remuneration received	Qualifications	Experience (In Years approx)	Date of commencement of employment	Age (Approx)	Last employment	Percentage of equity shares held by the employee
PravinChandra vasolia	Managing Director	87.84	P.hd in law	More than 30	02-11-2018	58	Self Employed	25.26%
Kishor Patolia	Whole Time Director	87.84	Post Graduate	More than 30	02-11-2018	56	Self Employed	16.25%
Vallabh Savalia	Whole Time Director	87.84	Post graduate	More than 30	02-11-2018	61	Self Employed	11.98%
Rutesh Savalia	Whole Time Director	24	P.hd in chemistry	More than 4	01-04-2021	31	Self Employed	6.00%
Nikita Muliya	CFO	11.05	C.A.	More than 3	01-05-2021	31	NA	0
Sanat Bhuva	General manager	26.76	Post Graduate	More than 20	02-11-2018	54	Self Employed	0
Hiren Kalathia	R&D Head	16.80	Master In Chemistry	More than 12	02-11-2018	42	Matangi industries	0
Banmali behara	Plant Manager	13.00	Graduate	More than 20	02-11-2018	41	Self Employed	0
Ramesh shardhara	Production manager	11.50	Post graduate	More than 15	02-11-2018	51	Self Employed	0
Jayshukh Shiroya	Production manager	13.64	Graduate	More than 15	15-06-2022	48	Self Employed	0

- Employees mentioned above except below, are neither relatives of any directors or managers of the Company.

Sr. No.	Name of Director / KMP	Relationship with other Directors / KMP
1	Kishorkumar Panchabhai Patolia	Father of Shivam Kishorbhai Patolia
2	Vallabh Ratanji Savaliya	Father of Rutesh Vallabhbhai Savalia
3	Rutesh Vallabhbhai Savalia	Son of Vallabh Ratanji Savaliya
4	Shivam Kishorbhai Patolia	Son of Kishorkumar Panchabhai Patolia

- All appointments are/were contractual in accordance with terms and conditions as per Company rules.

2. Details of employees, employed throughout the financial year was in receipt of remuneration for that financial year, in the aggregate, was not less than Rs.1.02 Crores. -Nil
3. Details of employees, employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rupees Eight Lakhs and Fifty Thousand per month- Nil
4. Details of employees, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. - Nil

**For and on behalf of the Board of Directors of
PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**

**PRAVINCHANDRA VASOLIA
MANAGING DIRECTOR
DIN- 02896534**

**VALLABH SAVALIYA
WHOLE-TIME DIRECTOR
DIN- 00155542**

**Date- September 5, 2024
Place- Ahmedabad**

Form No. MR- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no. 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules,
2014]

To,
 The Members
PARAGON FINE AND SPECIALITY CHEMICAL LIMITED
 Ahmedabad

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

Based on our verification of the 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, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 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 on 31st March, 2024 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The 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 and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (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) Regulation, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *(Not applicable during the period under review)*
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(Not applicable during the period under review)*
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients; *(Not applicable during the period under review)*
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not applicable during the period under review)*
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not applicable during the period under review)* and
 - (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except mentioned Below.

During the Financial Year, the Company has not filled form MR-1 for appointment of Mr. Rutesh Savalia and Mr. Shivam Patolia as the Whole-time Director of the Company.

We further report that:

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. 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.
- ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days and/or on shorter notice after receipt of confirmation from all the Directors in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii) All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

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.

We further report that during the audit period except below there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

During the financial year, your Company has debuted in the capital market by making an "Initial Public Offer of 51,66,000" Equity Shares to the public at large via Prospectus which was opened for subscription on October 26, 2023 and closed on October 30, 2023 and subsequently, the shares of the Company has been listed on the NSE SME Platform dated November 03, 2023.

Place: Ahmedabad
Date: 05.09.2024

For, Krushang Shah & Associates

Krushang Shah
Company Secretary in practice
ACS No.: 42187
C P No.: 26085
PRC : 3653/2023
UDIN: A042187F001149425

This report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.

To,
The Members
Paragon Fine and Speciality Chemical Limited
Ahmedabad

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. In respect of laws, rules and regulations other than those specifically mentioned in our report above, we have limited our review, analysis and reporting up to process and system adopted by the Company for compliance with the same and have not verified detailed compliance, submissions, reporting under such laws etc. nor verified correctness and appropriateness thereof including financial records and books of accounts of the Company.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 05.09.2024

For, Krushang Shah & Associates

Krushang Shah
Company Secretary in practice
ACS No.: 42187
C P No.: 26085
PRC : 3653/2023
UDIN: A042187F001149425

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

(FY 2023-24)

I	Details of contracts or arrangements or transactions not at arm's length basis:	
a	Name(s) of the related party and nature of relationship:	NA
b	Nature of contracts/arrangements/transactions:	NA
c	Duration of the contracts/arrangements/transactions:	NA
d	Salient terms of the contracts or arrangements or transactions including the value, if any:	NA
e	Justification for entering into such contracts or arrangements or transactions:	NA
f	Date(s) of approval by the Board, if any:	NA
g	Amount paid as advances, if any:	NA
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	NA

II	Details of material contracts or arrangement or transactions at arm's length basis:	
A	Name(s) of the related party and nature of relationship:	Chemtech Dyes and Intermediates (Enterprise over which KMP / their relatives able to exercise significant influence)
B	Nature of contracts/arrangements/transactions:	Job Work Expenses Purchases Sales
C	Duration of the contracts/arrangements/transactions:	On-going
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Ordinary Course of Business and Arms' length basis Job Work Expense: Rs. 6.38/- Lakhs Purchases: Rs. 3163.69/- Lakhs Sales: Rs. 2451.23/- Lakhs

E	Date(s) of approval by the Board, if any:	06.05.2023
F	Amount paid as advances, if any:	NA
A	Name(s) of the related party and nature of relationship:	Hindparagon Polyresins Pvt. Ltd (Enterprise over which KMP / their relatives able to exercise significant influence)
B	Nature of contracts/arrangements/transactions:	Purchases
C	Duration of the contracts/arrangements/transactions:	On-going
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Ordinary Course of Business and Arms' length basis Purchases: Rs. 231.36/- Lakhs
E	Date(s) of approval by the Board, if any:	06.05.2023
F	Amount paid as advances, if any:	NA
A	Name(s) of the related party and nature of relationship:	Shree Rasayan Enterprise (Enterprise over which KMP / their relatives able to exercise significant influence)
B	Nature of contracts/arrangements/transactions:	Job Work Expenses Purchases
C	Duration of the contracts/arrangements/transactions:	On-going
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Ordinary Course of Business and Arms' length basis Job Work Expense: Rs. 312.74/- Lakhs Purchases: Rs. 73.55/- Lakhs
E	Date(s) of approval by the Board, if any:	06.05.2023
F	Amount paid as advances, if any:	NA
A	Name(s) of the related party and nature of relationship:	Vallabh Ratanji Savaliya
B	Nature of contracts/arrangements/transactions:	Unsecure Loan
C	Duration of the contracts/arrangements/transactions:	On-going

D	Salient terms of the contracts or arrangements or transactions including the value, if any:	(In Lakhs) Outstanding at the Beginning of the year: Rs. 327.10/- Loan accepted during the year: Rs. 112.86/- Loan repaid during the year: Rs. 196.00/- Loan Outstanding at the end of the year: Rs. 243.97/-
E	Date(s) of approval by the Board, if any:	06.05.2023
F	Amount paid as advances, if any:	NA
A	Name(s) of the related party and nature of relationship:	Kishorkumar Panchabhai Patolia
B	Nature of contracts/arrangements/transactions:	Unsecure Loan
C	Duration of the contracts/arrangements/transactions:	On-going
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	(In Lakhs) Outstanding at the Beginning of the year: Rs. 367.87/- Loan accepted during the year: Rs. 99.50/- Loan repaid during the year: Rs. 208.18/- Loan Outstanding at the end of the year: Rs. 259.19/-
E	Date(s) of approval by the Board, if any:	06.05.2023
F	Amount paid as advances, if any:	NA
A	Name(s) of the related party and nature of relationship:	Pravinchandra Jasmat Vasolia
B	Nature of contracts/arrangements/transactions:	Unsecure Loan
C	Duration of the contracts/arrangements/transactions:	On-going
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	(In Lakhs) Outstanding at the Beginning of the year: Rs. 348.29/- Loan accepted during the year: Rs. 175.00/- Loan repaid during the year: Rs. 269.00/- Loan Outstanding at the end of the year: Rs. 254.29/-

E	Date(s) of approval by the Board, if any:	06.05.2023
F	Amount paid as advances, if any:	NA

**For and on behalf of the Board of Directors of
PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**

**PRAVINCHANDRA VASOLIA
MANAGING DIRECTOR
DIN- 02896534**

**VALLABH SAVALIYA
WHOLE-TIME DIRECTOR
DIN- 00155542**

**Date- September 5, 2024
Place- Ahmedabad**

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

a) CONSERVATION OF ENERGY:

Particular	Remark
Steps taken or impact on conservation of energy	<p>Power consumption monitoring is regularly done at the manufacturing facility, resulting in optimum energy consumption and conservation.</p> <p>The Company is making continuous efforts on ongoing basis for energy conservation by adopting innovative measures to reduce wastage and optimise consumption.</p> <p>Regulation in usage of office lighting.</p> <p>All efforts are made to use more natural lights in the premises to optimise the consumption of energy.</p> <p>All efforts are made to use more natural lights in the premises to optimise the consumption of energy.</p>
Steps taken by the Company for utilizing alternate sources of energy	The Company evaluates all possibilities of utilizing alternate sources of energy in its operations, wherever possible.
Capital investment on energy conservation equipment	During the year, the company has not made any capital investment on energy conservation equipment.

b) TECHNOLOGY ABSORPTION

Particular	Remark
Efforts made towards technology absorption	<p>The Management regularly keeps a watch on the latest technological developments in the field of operations of the Company.</p> <p>The Management will work on import on new technology after evaluation of requirement in future.</p>
Benefits derived like product improvement, cost reduction, product development or import substitution	Not Applicable
In case of imported technology (imported during the last three years reckoned from beginning of the financial year)	Not Applicable
Details of technology	

imported	
Year of import	
Whether the technology has been fully absorbed	
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	

Expenditure incurred on Research and Development:

Foreign Exchange Earnings: Rs. 4717.00/- Lakhs

Foreign Exchange Outgo: Rs. 580.05/- Lakhs

**For and on behalf of the Board of Directors of
PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**

**PRAVINCHANDRA VASOLIA
MANAGING DIRECTOR
DIN- 02896534**

**VALLABH SAVALIYA
WHOLE-TIME DIRECTOR
DIN- 00155542**

Date- September 5, 2024

Place- Ahmedabad

Annual Report on Corporate Social Responsibility
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

Brief contents of the CSR policy

The CSR Policy is formulated with intention to Strive for economic development that positively impacts the society at large with minimal resources. Also to embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society. The CSR policy of the company is available under the investor tab on web site of the company i.e. www.paragonind.com

The Company's focus areas under CSR are:

- Education
- Environment
- Medical
- Eradicating hunger, poverty and malnutrition

The CSR Policy has been put up on the Company's Website and can be accessed through the following link: www.paragonind.com

The composition of the CSR committee:

The CSR committee of the Board is responsible for inter alia overseeing the execution of the Company's CSR policy.

The composition of the CSR Committee of the Company as on March 31, 2024, was:

Name of the Director	Category	Status	No. of Meeting held	No. of Meeting attended
Mr. Kishankumar Dhirajlal Tilva	Non-executive Director, Independent Director	Chairman	1	1
Mr. Vallabh Ratanji Savaliya	Non-executive Director	Member	1	1
Mr. Pravinchandra Jasmat Vasolia	Non-executive Director	Member	1	1

WEB-LINKS

Composition of CSR committee: www.paragonind.com under Investor tab.

CSR Policy and CSR projects: www.paragonind.com under Investor tab.

Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the companies (corporate social responsibility policy) rules, 2014, if applicable (attach the report):

Not Applicable

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the companies (corporate social responsibility policy) rules, 2014 and amount required for set off for the financial year, if any.

Sr. No	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1	2023-24	0	0
2	2022-23	0	0
3	2021-22	0	0

Average net profit of the company for last Three Financial Years (Section 135(5): Rs. 8.66 Cr.

Prescribed CSR expenditure: Rs. 17.32 Lakhs (2% of Average Net Profit)

Details of CSR spent during the financial year

- Total amount to be spent for the financial year: Rs. 17.32 Lakhs
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 - Amount required to be set off for the financial year, if any: Nil
 - Total CSR obligation for the financial year (a+b-c): Rs. 17.32 Lakhs
- Total amount spent during the financial year: Rs. 17.32 Lakhs
 - Amount unspent: Nil

Details of CSR amount spent against ongoing projects for the financial year: Nil

Details of CSR amount spent against other than ongoing projects for the financial year

1	2	3	4	5	6	7	8	9	10
Sr. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation -Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District			Name	CSR registration number
1.	NA	Rural Development, Community Mobilization, Plantation, Medical, Food Items and activities under swachh Bharat Abhiyan	Yes	With Gujarat	in Gujarat	Rs. 17.32 Lakhs	Directly and Implementing Agency	Name: Arya Foundation	Reg. No.: CSR00032202.
								Name: Shree Swaminarayan Hospital and Medical Research Foundation:	Reg. No: CSR00006623

Amount spent in Administrative Overheads: Nil

Amount spent on Impact Assessment, if applicable: NA

Total amount spent for the Financial Year: Rs. 17.32 Lakhs

Excess amount for set off, if any: Nil

Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

In case of creation or acquisition of capital asset, the details relating to the asset so created or acquired through CSR spent in the financial year: No creation or acquisition of capital asset during the current financial year

The reasons for unspent amount: Not Applicable

PARAGON FINE AND SPECIALITY CHEMICAL LIMITED

PRAVINCHANDRA VASOLIA
MANAGING DIRECTOR
DIN- 02896534

VALLABH SAVALIYA
WHOLE-TIME DIRECTOR
DIN- 00155542

Kishankumar Dhirajlal Tilva
DIN: 09720108
Chairperson, CSR Committee

Date- September 5, 2024
Place- Ahmedabad

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34(3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the Listing Regulations”)

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other stakeholders. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year 2023-24.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Company's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. Your Company has voluntarily complied with the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (SEBI LODR). This philosophy of the Company would ensure that it follows highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and best business practices.

The corporate governance structure formed by the Company includes principles, processes and systems to help the Company to take informed decision making and performance based management and it also supports establishment of culture of integrity and fairness in all transactions. The Company also periodically disclosed compliance with these principles and processes in the transparent manner. The Board of Directors of the Company (“the Board”) also supervises the management activities to ensure the effectiveness of the corporate governance which promotes the Board that functions independently and without any influence.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

Your company's Board comprises of Nine Directors as on March 31, 2024 comprising five Executive Directors, Three Independent Non-Executive Directors and one Non-executive Director. The Chairman is Executive in nature. The Company does not have any Nominee Director.

During the Financial Year under review, total 14 (Fourteen) meetings of the Board were held on 06.05.2023, 26.06.2023, 14.07.2023, 20.07.2023, 04.08.2023, 09.08.2023, 28.08.2023, 31.08.2023, 05.10.2023, 14.10.2023, 18.10.2023, 31.10.2023, 22.11.2023 and 28.02.2024. The Company has observed the Corporate Governance provisions of the Act and also of the Listing Regulations for conducting the Board Meetings during the Financial Year under review.

The Board Meetings held during the financial year 2023-24, presence of the directors thereat and Membership / Chairmanship of the directors in the Committees and no. of directorships in other companies excluding Private Companies and our company are stated below:

Name of Directors	Category of Directorship	No. of other Director Ships*	Committee (1)Membership/ (2) Chairmans hip Companies @	No. of Board Meetings attended	Attendance at the last AGM Yes/ No/ NA	No. of shares Held
Mr. Pravinchandra Jasmat Vasolia	Promoter, Managing Director - Executive	0	1/0	14	Yes	49,41,600
Mr. Vallabh Ratanji Savaliya	Whole-time Director, Promoter-Executive	0	0/0	14	Yes	23,43,600
Mr. Kishorkumar Panchabhai Patolia	Whole-time Director, Promoter-Executive	0	0/0	14	Yes	31,92,000
Mr. Rutesh Vallabhbai Savalia	Whole-time Director, Promoter-Executive	1	1/0	8	Yes	11,73,600
Mr. Shivam Kishorbhai Patolia	Whole-time Director, Promoter-Executive	0	0/0	8	Yes	12,00,000
Mr. Kishankumar Dhirajlal Tilva	Non-Executive, Independent Director	0	1/0	10	Yes	0
Mr. Soumitra Sachipati Banerjee	Non-Executive, Non-Independent Director	1	1/1	13	Yes	0
Mr. Jasmin Jasmatbhai Patel	Non-Executive, Independent Director	0	1/1	10	Yes	0
Ms. Insiya Qaidjohar Nalawala	Non-Executive, Independent Director	1	1/0	9	Yes	0

* These numbers exclude the directorship/committee membership held in the company and in private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013 and alternate directorship.

@ The Committee (Audit and Stakeholders' Relationship Committee only) Memberships and Chairmanship in Companies includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies.

All Directors have informed the Company about the committee positions they occupy in other companies as per the Listing Regulation, which were placed before the Board.

Except described below, none of the other Directors are related to any other Director on the Board in term of definition of 'relative' as per the Companies Act, 2013.

Sr. No.	Name of Director / KMP	Relationship with other Directors / KMP
1	Kishorkumar Panchabhai Patolia	Father of Shivam Kishorbhai Patolia
2	Vallabh Ratanji Savaliya	Father of Rutesh Vallabhbhai Savalia
3	Rutesh Vallabhbhai Savalia	Son of Vallabh Ratanji Savaliya
4	Shivam Kishorbhai Patolia	Son of Kishorkumar Panchabhai Patolia

Except disclosed in above table, None of the Non-executive Directors holds equity shares or convertible instruments in the Company.

During the year under review, no independent Directors are ceased to be Independent Directors in the Company. The Company has received confirmation that there is no other reason for his Resignation.

During the financial year, the Independent Directors of the Company met on February 28, 2024 without the presence of non-independent directors or management personnel to review the performance of Non-Independent Directors, the Board and its Chairman. The meeting also reviewed the quality, quantity and timeliness of flow of information between the Company and the Board. The terms and conditions of appointment of Independent Directors are incorporated on the website of the Company i.e. www.paragonind.com under investor section.

DIRECTORSHIP IN LISTED COMPANIES OTHER THAN PARAGON FINE AND SPECIALITY CHEMICAL LIMITED

Name of Director	Category & Designation	Name of Listed Company
Mr. Pravinchandra Jasmat Vasolia	Nil	NA
Mr. Vallabh Ratanji Savaliya	Nil	NA
Mr. Kishorkumar Panchabhai Patolia	Nil	NA
Mr. Rutesh Vallabhbhai Savalia	Nil	NA
Mr. Shivam Kishorbhai Patolia	Nil	NA
Mr. Kishankumar Dhirajlal Tilva	Nil	NA
Mr. Soumitra Sachipati Banerjee	Nil	NA
Mr. Jasmin Jasmatbhai Patel	Nil	NA
Ms. Insiya Qaidjohar Nalawala	Non – Executive Independent Director	Bhatia Colour Chem Limited

b) Board Procedures:

The Board of Directors meets regularly to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/ Managing Director briefs the Directors at every Board Meeting, overall performance of the company.

All major decisions/ approvals are taken at the meeting of the Board of Directors such as policy formation, business plans, budgets, and investment opportunities, Statutory Compliance etc.

c) Core skills, expertise and competencies identified by the Board of Directors as required in context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

- i) Knowledge – The Board of Directors understand the Company’s business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates.
- ii) Behavioral Skills – The Board of Directors have attributes and competencies to use their knowledge and skills, to function well as team members and to interact with key stakeholders.
- iii) Strategic thinking and decision making – The Board of Directors have strategic thinking and decision making skills in guiding and leading management teams to make decisions in uncertain environments.
- iv) Financial Skills- The Board of directors has eminent business leaders with deep knowledge of finance and business.
- v) Technical/Professional skills and specialized knowledge – The Board of Director’s possess technical/professional skills and specialized knowledge to assist the ongoing aspects of the business.

A matrix setting out the skills/expertise/competencies of the Individual Directors is given below:

Sr. No	Area of skill / expertise	Board of Directors as on 31 st March, 2024				
		Mr. Pravinchandra Jasmat Vasolia	Mr. Vallabh Ratanji Savaliya	Mr. Kishorkumar Panchabhai Patolia	Mr. Rutesh Vallabhbhai Savalia	Mr. Shivam Kishorbhai Patolia
1	Knowledge	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Behavioral Skills	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Strategic thinking and decision making	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4	Financial Skills	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5	Technical/Professional skills and specialized knowledge	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Sr. No	Area of skill / expertise	Board of Directors as on 31 st March, 2024			
		Mr. Kishankumar Dhirajlal Tilva	Mr. Soumitra Sachipati Banerjee	Mr. Jasmin Jasmatbhai Patel	Ms. Insiya Qaidjohar Nalawala
1	Knowledge	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Behavioral Skills	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Strategic thinking and decision making	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4	Financial Skills	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5	Technical/Professional skills and specialized knowledge	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

d) Independent Director:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 ("Act") and Regulation 16(1)(b) of the Listing Regulations.

In terms of Regulation 25(8) of Listing Regulations, the Independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that the Independent Directors meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

e) Familiarization Program for Independent Directors:

The Familiarization Program for the Independent Directors of the Company has been adopted by the Board pursuant to the Regulation 25(7) of the Listing Regulations. The aim of the Familiarization Program is to enable the Independent Directors to perceive the business of the Company and give them opportunity to contribute significantly to the Company by providing the insights into the affairs of the Company.

A letter of appointment is provided at the time of appointment of an Independent Director, which, inter alia, shall explain the role, functions, duties and responsibilities expected of him as a Director of the Company. Further, the Company conducts an introductory familiarization program, which inter alia includes roles, rights and responsibilities and also strategies, operations and functions of the Company. The Management of the Company frequently conduct programs and give presentations to familiarize the Independent Directors on the vision and mission of the Company, its operations, administration and management, business plans, strategies, technologies and also future outlook of the entire industry, on an ongoing basis and such programs and presentations are made regularly to the Board / Independent Directors. In accordance to Regulation 46 of the Listing Regulations, the details of the familiarization programs extended to the Independent Directors are also disclosed on the website of the Company i.e. www.paragonind.com under investor section.

The information required to be given for the Directors seeking appointment/ reappointment, if any, at the Annual General Meeting as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are given in the Notice calling this annual general meeting.

3. COMMITTEE OF THE BOARD:

The Board of the Company has constituted the following Committees and each Committee has its own terms of reference:

- i. Audit Committee;
- ii. Nomination and Remuneration Committee;
- iii. Stakeholders Relationship Committee;
- iv. Corporate Social Responsibility Committee.

i. Audit Committee

The composition and terms of reference of the Audit Committee are in compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. The composition of Committee is given in this Report.

Terms of Reference of the Committee inter alia include the following:

- a) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing regulations and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions;
 - vii. modified opinion(s) in the draft audit report;
- e) reviewing, with the management, the half financial statements before submission to the board for approval;
- f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- h) approval or any subsequent modification of transactions of the Company with related parties;
- i) scrutiny of inter-corporate loans and investments;
- j) valuation of undertakings or assets of the Company, wherever it is necessary;
- k) evaluation of internal financial controls and risk management systems;
- l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the

internal control systems;

- m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) discussion with internal auditors of any significant findings and follow up there on;
- o) reviewing the findings of any internal investigations 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;
- p) discussion 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;
- q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) to review the functioning of the whistle blower mechanism;
- s) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in terms of reference of the Committee;
- u) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on date;
- v) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- w) To investigate any other matters referred to by the Board of Directors; and
- x) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee mandatorily reviews the following information:

- a) management discussion and analysis of financial condition and results of operations;
- b) management letters / letters of internal control weaknesses issued by the statutory auditors;
- c) internal audit reports relating to internal control weaknesses; and
- d) the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Committee.
- e) statement of deviations:
 - i. half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations .

- ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Listing Regulations.

Composition, meetings and attendance:

During the year, the Board of Directors has constituted audit Committee. Further, during the year under review total 7 (Seven) meetings of the Audit Committee were held on 31.08.2023, 05.10.2023, 14.10.2023, 18.10.2023, 31.10.2023, 22.11.2023 and 28.02.2024. The attendance of the Members of the Audit Committee is as under:

Name of the Director	Category	Status	No. of Meeting held	No. of Meeting attended
Mr. Jasmin Jasmatbhai Patel	Independent Director	Chairperson	7	7
Ms. Insiya Qaidjohar Nalawala	Independent Director	Member	7	7
Mr. Pravinchandra Jasmat Vasolia	Managing Director	Member	7	7

The Committee invites such of the executives, particularly the head of the Finance Function, representatives of the Statutory Auditors and any such other executives, as it considers appropriate, to be present at the meetings.

All Committee Members are financially literate and have accounting and financial management expertise.

Mr. Jasmin Patel, the Chairman of the Audit Committee was present at the previous Annual General Meeting held on 30th September, 2023, to answer the queries of the shareholders of the Company.

ii. Nomination and Remuneration Committee:

The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. The composition of Committee is given in this Report. Terms of reference of the Committee inter alia includes the following:

- a) identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- b) shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- c) 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;
- d) formulation of criteria for evaluation of performance of independent directors and the board of directors;

- e) devising a policy on diversity of board of directors;
- f) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- g) recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Composition, Meetings and Attendance:

As on Financial Year end, the Nomination and Remuneration Committee of the Board consists of 3 (Three) Directors as Members viz. Mr. Kishankumar Dhirajlal Tilva, Mr. Jasmin Jasmatbhai Patel and Mr. Soumitra Sachipati Banerjee. The Company Secretary of the Company acts as the Secretary to the Committee.

During the year, the Board of Directors has constituted the Committee. Further during the year under review total 1 (One) meeting of the Nomination and Remuneration Committee was held on August 31, 2023. The attendance of the Members of the Nomination and Remuneration Committee is as under:

Name of the Director	Category	Status	No. of Meeting held	No. of Meeting attended
Mr. Kishankumar Dhirajlal Tilva	Independent Director	Chairperson	1	1
Mr. Jasmin Jasmatbhai Patel	Independent Director	Member	1	1
Mr. Soumitra Sachipati Banerjee	Non-executive, Non-Independent Director	Member	1	1

Mr. Kishankumar Dhirajlal Tilva, the Chairman of the Nomination and Remuneration Committee was present at the previous Annual General Meeting held on 30th September, 2023, to answer the queries of the shareholders of the Company.

Nomination and Remuneration Policy:

In terms of the provisions of Section 178(4) of the Act and Listing Regulations, the Board of the Company has, on recommendation of NRC, framed and adopted a policy relating to the remuneration for the directors, key managerial personnel and other employees.

The Company has formulated and adopted the Policy with an aim to create an effective performance work culture in the Company which enables it to attract, retain and motivate the employees to achieve the targets of the Company.

The remuneration is paid by the Company by way of salary, benefits, perquisites, allowances and commission to the Directors. The Committee decides annual increments within the stipulated pay scale and the commission payable out of the profits for the financial year within the ceilings prescribed under the Act based on the performance of the Directors and further based on the performance of the Company.

During the financial year under review, the Company has not paid sitting fees to its Independent Directors for attending meetings of the Board as mentioned in this Report. The Company has not paid

any commission to the Independent / non-executive Directors.

Applicability of the policy:

- a) Directors (Executive, Non-Executive and Independent)
- b) Key Managerial Personnel
- c) Senior Management Personnel
- d) Other employees as may be decided by the Nomination and Remuneration Committee

Further in accordance to the Nomination and Remuneration Policy adopted by the Company, the evaluation of the Board, its Committees and Individual Directors will be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance, as applicable, in following manner:

A. Evaluation of performance and Independence Review Procedures:

The Committee shall determine a process for evaluating the performance of every Board Member, the Committees of the Board and the Board on an annual basis and shall carry out the performance evaluation in terms of the process determined. The Committee may also authorise the Board or appoint an independent external agency for carrying out the performance evaluation in terms of the process determined and shall further review its implementation and compliance. The Committee shall also review its own performance on an annual basis.

- 1. Annual Evaluation: The Board will determine the independence for the independent director on an annual basis upon the declaration made by such independent director.
- 2. Determination of Director's Independence: The Board shall determine independence of candidate to the position of independent director prior to appointment in case his/her appointment is considered between two Annual General Meetings of the Company.
- 3. Change of Independent Status: Each director shall inform the Board with respect to any change in his / her independent status.

B. Evaluation of performance of executive directors and determination of remuneration:

The Committee shall evaluate the performance of the managing director(s)/whole time director(s) by setting key result areas and performance parameters at the beginning of each financial year and it shall ensure that the said performance objectives are aligned with the present and future goals of the Company. The Committee shall consider and recommend the remuneration of the managing director(s) or whole time director for approval of the Board and Members of the Company. The remuneration may include basic salary, benefits, allowances, perquisites, commission, etc. The Committee shall also ensure that the remuneration is in accordance with applicable law and has an adequate balance between fixed and variable component.

C. Evaluation Criteria for the Independent Directors:

- 1. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- 2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

During the Financial Year under review, in terms of the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its performance, the Directors individually as well as the evaluation of the working of its committees and individual Directors and the findings were shared with them as well as the Chairman of the Company. A structured questionnaire was prepared covering the various criteria of competencies and the responses were evaluated by the Nomination and Remuneration Committee as well as by the Board. The results reflected high satisfactory performance of Board and Committee Members.

Further, the Board has carried out an annual performance evaluation of its Independent Directors. Evaluation of Independent Directors was based on defined parameters which include level of engagement and participation in business decisions, functional knowledge and skill-set, awareness of the risk profile of the industry, quality of feedback and suggestions, etc.

The Independent Directors have also evaluated the performance of the Chairman and other non-independent Directors. The evaluation of the performance was on the basis of the criteria like culture and dynamics of the Board, quality of Board Members, key responsibilities of the Board Members, contribution of the Board Members, effectiveness of the process and functioning of the Board / its committees.

iii. Stakeholders Relationship Committee:

The composition and terms of reference of the Stakeholders Relationship Committee are in compliance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations. The composition of Committee is given in this Report. The Committee looks into redressing the stakeholders' grievances / complaints.

Compliance Officer: Ms. Vrunda Upendra Dattani, the Company Secretary of the Company during FY 2023-24, is designated as a Compliance Officer pursuant to Regulation 6 of the Listing Regulations.

The Company has a designated E-mail ID i.e. cs@paragonind.com for the redressal of complaints / grievances of the stakeholders which is also displayed on the website of the Company.

Composition, meetings and attendance:

Stakeholders Relationship Committee of the Board consists of 3 (Three) members viz. Mr. Soumitra Sachipati Banerjee, as the Chairman of the Committee and Mr. Rutesh Vallabhbbhai Savalia and Mr. Kishankumar Dhirajlal Tilva as the Members of the Committee.

During the year under review total 1 (One) meeting of the Stakeholders Relationship Committee were held on August 31, 2023.

The attendance of the Members of the Stakeholders Relationship Committee is as under:

Name of the Director	Category	Status	No. of Meeting held	No. of Meeting attended
Mr. Soumitra Sachipati Banerjee	Non-executive Director	Chairman	1	1
Mr. Rutesh Vallabhbbhai Savalia	Non-executive Director	Member	1	1
Mr. Kishankumar Dhirajlal Tilva	Independent Director	Member	1	1

The number of the complaints / grievances received and resolved to the satisfaction of the stakeholders during the Financial Year under review is as under:

Sr. No.	Investor Complaints	Complaints
1.	Pending at the beginning of the year (As on 01.04.2023)	Nil
2.	Received during the Year from 01.04.2023 to 31.03.2024	Nil
3.	Disposed of during the Year from 01.04.2023 to 31.03.2024	Nil
4.	Unresolved at the end of the Year (As on 31.03.2024)	Nil

iv. CSR COMMITTEE

As on March 31, 2024, the CSR Committee comprises of 3 (Three) members out of which 2 (Two) are Executive Directors and 1 (One) are Non-Executive Independent Director of the Company. The CSR Committee carries out functions enumerated in the Act. During the Year CSR Committee has conducted only one meeting on August 31, 2023.

The composition of the Committee as well as the particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Name of the Director	Category	Status	No. of Meeting held	No. of Meeting attended
Mr. Kishankumar Dhirajlal Tilva	Non-executive Director, Independent Director	Chairman	1	1
Mr. Vallabh Ratanji Savaliya	Non-executive Director	Member	1	1
Mr. Pravinchandra Jasmat Vasolia	Non-executive Director	Member	1	1

The Company Secretary shall act as the secretary to the Committee. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act and Companies (Corporate Social Responsibility Policy) Rules, 2014.

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on activities referred to in Section 135(a) of the Companies Act, 2013;
3. To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken by the Company from time to time;

4. To Monitor the Corporate Social Responsibility policy of the Company from time to time; and

5. Any other matter of CSR Committee may deem appropriate after approval of the Board of Directors or as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 or other applicable law.

4. REMUNERATION OF DIRECTORS

Remuneration to Executive Directors:

Nomination and Remuneration Committee shall, inter-alia, evaluate the performance of the Executive Directors and the remuneration payable to the Executive Directors and Senior Management employees of the Company. Based on the recommendation of Nomination and Remuneration Committee, the Board had approved the remuneration payable to the executive Directors within the ceiling fixed by the shareholders as per the respective resolutions passed at the AGMs.

Details of remuneration paid/payable to the Executive Directors of the Company during the year ended March 31, 2024 are given below:

(Amount in Lakhs)

Name of the Directors	Salary	Commission	Perquisites & Allowances	Sitting Fee	Total Remuneration
Mr. Vallabh Ratanji Savaliya	87.84	0	0	0	87.84
Mr. Pravinchandra Jasmat Vasolia	87.84	0	0	0	87.84
Mr. Kishorkumar Panchabhai Patolia	87.84	0	0	0	87.84
Mr. Rutesh Vallabhbhai Savalia	24.00	0	0	0	24.00
Mr. Shivam Kishorbhai Patolia	7.50	0	0	0	7.52

Stock Option:

The Company has no stock option scheme relating to its shares for its directors or employees and no severance fees are paid to any Director of the Company during the financial year under review.

Remuneration to the Non-Executive Directors:

The remuneration, commission if payable to the Non-Executive / Independent Directors, shall be in accordance with the provisions of the Act for the time being in force and as may be recommended by the Nomination and Remuneration Committee and approved by the Board and further by the members of the Company.

The Company has no pecuniary relationship or transactions with its Non-executive vis-à-vis the Company other than payment of sitting fees, if any, for attending Board meetings. The Remuneration paid to Non-Executive Directors are given below:

Name of Director	Remuneration Paid (In Lakhs)
Mr. Kishankumar Dhirajlal Tilva	0.40
Mr. Jasmin Jasmatbhai Patel	0.40
Ms. Insiya Qaidjohar Nalawala	0.40

5. INDEPENDENT DIRECTORS MEETING

With reference to the Schedule IV of the Companies Act, 2013, one meeting of the Independent Directors was held on February 28, 2024. All the Independent Directors have attended the meeting. At the meeting, the Independent Directors reviewed the performance of the non-independent directors and the Board as whole and assessed the quality, quantity and timeliness of flow of information between the company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarization programme for Independent Directors:

Independent Directors at the time of their appointment are given the formal appointment letter mentioning various terms and conditions of their engagement. Independent Directors of the company are made aware of their role, duties, rights and responsibilities at the time of their appointment.

The Board of Directors have complete access to the information within the company and to interact with senior management personnel. Independent Directors have freedom to interact with the management of the company.

The Familiarization programme has been conducted during the year under review and different aspects such as legal compliance management, corporate governance and role of independent directors has been covered in the same.

6. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue	Special Business including special resolutions passed
2022-23	30-09-2023	11.00 a.m	1001/1, PARSHWA TOWER, NR PAKVAN HOTEL, S.G. HIGHWAY, BODAKDEV, Ahmedabad, AHMEDABAD, Gujarat, India, 380054	Nil
2021-22	30-09-2022	11.00 a.m.	1001/1, PARSHWA TOWER, NR PAKVAN HOTEL, S.G. HIGHWAY, BODAKDEV, Ahmedabad, AHMEDABAD, Gujarat, India, 380054	Nil
2020-21	30-09-2021	11.00 a.m.	1001/1, PARSHWA TOWER, NR PAKVAN HOTEL, S.G. HIGHWAY, BODAKDEV, Ahmedabad, AHMEDABAD, Gujarat, India, 380054	Nil

During the Financial Year under review, no resolution has been passed through the exercise of postal ballot.

7. VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The Company has adopted a Vigil Mechanism & Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Act and the Listing Regulations. The policy entitles its stakeholders, directors, employees and their representative bodies to report their genuine concerns about illegal or unethical practices or violations of laws, rules, regulations or unethical conduct to the Supervisor or to the Management. Through this mechanism and Policy, the stakeholders, directors, employees and their representative bodies will be able to raise genuine concerns or grievances or violation or potential violations, free of any fear of retaliation or victimization. The Policy also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern and no person has been denied access to the Audit Committee. On a half yearly basis, the Audit Committee review the concerns raised, if any, under the policy and track them for closure as per the policy.

During the financial year under review no complaint was received to be referred to the Audit Committee and no person was denied access to the Audit Committee.

8. DISCLOSURES:

a) Related Party Transactions:

In line with the provisions of the Act and under Regulation 23 of the Listing Regulations, the Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

During the Financial Year under review, the Company has entered into certain related party transactions and the same were disclosed as AOC-2 and related party disclosure note in financial statements. All related party transactions are placed before the Audit Committee and also the Board for review and approval; and the interested Directors neither participate in the discussions, nor did they vote on such matters, when such matters came up for approval. Further, suitable disclosure as required by the Accounting Standards has been given in the Notes to the Financial Statements. The Board of the Company has approved a Related Party Transactions Policy which has been uploaded on the Company's website www.paragonind.com

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:- NA

c) Compliance with the Mandatory Requirements and adoption of Discretionary Requirements of the Listing Regulations:

The Company has complied with the mandatory requirements as applicable under the Listing Regulations.

Discretionary Requirements:

The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II under the Part E of the Listing Regulations:

- a. Shareholders Rights: The Company displays half yearly results on its website. The Company also makes available the voting results of the shareholders' meetings on its website, and reports the same to Stock Exchanges. The half yearly results are not sent to each household of the shareholders.
- b. Reporting of Internal Auditor: Internal Auditor, if any, directly reports to the Audit Committee of the Company.

d) Subsidiary companies:

The Company does not have subsidiary Company, therefore the Company has not adopted policy for the same.

e) Commodity price risk / Foreign Exchange risk / Hedging Activities:

Risk of exchange rate volatility, if any, is mitigated by splitting and spreading the foreign exchange payments between the date of issue of import orders and the final payment against receipt of supplies. The decision to avail hedging is taken on case to case basis.

f) Recommendation of Audit Committee

The Board of Directors of the Company has accepted all the recommendations of the Audit Committee.

g) Fees paid to Statutory Auditors

The Company has paid Rs. 4.50/- Lakhs to statutory Auditor namely Surana Maloo & CO.

h) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, for the Financial Year 2023-24:

Particulars	Numbers
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

i) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

Sr No	Nature of Transactions	Name of Related Party	Amount (In Lakhs)
1	Long Term Borrowing Accepted / Repaid	Vallabh Ratanji Savaliya	112.86 / 196.00
2	Long Term Borrowing Accepted / Repaid	Kishorkumar Panchabhai Patolia	99.50 / 208.18
3	Long Term Borrowing Accepted / Repaid	Pravinchandra Jasmat Vasolia	175.00 / 269.00

j) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: None

k) Website

The Company ensures dissemination of applicable information under Regulation 46 of the Listing Regulations on the Company's website www.paragonind.com

The section on 'Investor Relations' on the website serves to inform the members by giving complete financial details, annual reports, shareholding patterns and such other statutory details.

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

During the Financial Year 2023-24, the Company came up with IPO and Objects for which funds have been raised and where there has been a deviation, in the following table:

Sr.	Original Object	Modified Object, if any	Original Allocation (in Rs. Crores)	Modified allocation, if any	Funds Utilised	Amount of Deviation/Variation for the quarter according to applicable object
1	Funding capital expenditure towards civil construction work in the existing premises of factory	NA	1	NA	0.14	Nil
2	Repayment in full or in part, of certain of our outstanding borrowings	NA	12.90	NA	12.70	Nil
3	Funding Capital Expenditure towards installation of additional plant and machinery for Expansion.	NA	7.87	NA	1.53	Nil
4	Funding to meet working capital requirements	NA	13.00	NA	13.00	Nil
5	General Corporate Purpose	NA	12.21	NA	6.32	Nil
6	Issue Related expenses	NA	4.68	NA	4.68	Nil

m) Code of Conduct:

The Board has laid down the Code of Conduct for all Board of Directors and Senior Management of the Company. The said Code is also placed on the website of the Company. The Certificate from the Managing Director affirming compliance of the said Code by all the Board of Directors and Senior Management of the Company, to whom the Code is applicable, is separately attached to this Report.

n) Material, financial and commercial transactions:

No material, financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the Financial Year under review. Senior Management of the Company has made disclosures under Regulation 26(5) of the Listing Regulations to the Board confirming that there is no material, financial and/ or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

o) To monitor, regulate and report trading in shares by insiders:

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated a "Code of Conduct for Prevention of Insider Trading" and "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" for regulating, monitoring and reporting of trading in shares of the Company by the Promoters, Designated Persons, Key Managerial Personnel, Directors, Employees, Connected Persons and Insiders of the Company. The said codes are in accordance with the said Regulations and are also available on the website of the Company.

p) The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report: Not Applicable

q) Unclaimed shares lying in demat suspense account:

The balance in the demat suspense account or unclaimed suspense account is nil.

r) Details of Senior management : The Board of Directors have identified Company Secretary, Compliance Officer and CFO as Senior Management. During the Year, Ms. Vrunda Upendra Dattani, Company Secretary and Compliance officer resigned w.e.f. January 29, 2024.

s) Disclosure of certain types of agreements binding listed entities as required under clause 5A of paragraph A of Part A of Schedule III of SEBI LODR : None

7. MEANS OF COMMUNICATIONS:

a) In compliance with the requirements of the Listing Agreement, the Company is regularly intimates Unaudited/ Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors.

Results are displayed on Website of the Company and on the website of the NSE.

b) During the year ended on March 31, 2024, presentations were made to Institutional Investors or analyst or any other enterprise and the same is available on Company website and website of the stock exchange.

c) During the year ended on March 31, 2024, no official news was released by the Company and if the Company release in future the same will be available on website of the Company and the stock exchange.

d) Management Discussion and Analysis form part of the Annual Report.

8. SHAREHOLDERS' INFORMATION:

A	Registered Office	1001/1, Parshwa Tower, Nr Pakvan Hotel, S. G. Highway, Bodakdev, Ahmedabad, Gujarat, India, 380054	
B	Annual General Meeting	Day	Saturday
		Date	28 th September, 2024
		Time	12.00 Noon
		Venue	1001/1, Parshwa Tower, Nr Pakvan Hotel, S. G. Highway, Bodakdev, Ahmedabad, Gujarat, India, 380054
C	Financial Year	Financial Year of the Company is for a period of twelve (12) months from 1st April to 31st March	
D	Tentative Financial Calendar	Half Yearly Unaudited Result	
		Half Year Ending 30 th September, 2024	Second Week of November, 2024 (tentative)
		Annual Audited Result	
		Year ending 31 st March, 2025	Last Week of May, 2025 (tentative)
E	Book Closure Dates (Both inclusive)	From	To
		-	-
F	Registrar and Share Transfer Agents	M/s Bigshare Services Private Limited Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093. Telephone- +91-022-62638200; E-mail: ipo@bigshareonline.com Website: www.bigshareonline.com	
G	ISIN	INE0N4G01012	
H	Dividend Payment Date	Not Applicable as the Company has not declared any Dividend.	
I	Stock Exchange Code	Stock Exchange	Code
		National Stock Exchange of India Limited (NSE)	PARAGON
J	Whether securities are suspended from trading	No	

K) **Stock Price Data:** The shares of the Company were traded on NSE. The information on stock price data is as under:

Month	Share price NSE		NSE Nifty 50	
	High (Rs.)	Low (Rs.)	High	Low
April, 23			-	-
May, 23			-	-
June, 23			-	-
July, 23			-	-
Aug, 23			-	-
Sep, 23			-	-
Oct, 23	Not Listed		-	-
Nov, 23	236.00	176.00	20158.70	18973.70
Dec, 23	190.05	135.20	21801.45	20183.70
Jan, 24	183.00	138.10	22124.15	21137.2
Feb, 24	151.50	132	22297.50	21530.20
Mar, 24	138.55	100	22526.60	21710.20

L) Share Transfer System:

Effective from April 1, 2019, SEBI has mandated that shares can be transferred only in Demat. Hence no transfer of shares in physical form can be lodged by the shareholders.

In case of Shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

M) Dematerialization of shares and liquidity:

As on 31st March, 2024, all equity shares were held in dematerialized form. The Shares of the Company are regularly traded on NSE.

N) Distribution of Shareholding as on 31st March, 2024:

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of Shares held	% of Shareholding
1 to 1000	-	-	-	-
1001 to 2000	1226	71.99	1471200	7.52
2001 to 3000	238	13.97	571200	2.92
3001 to 4000	81	4.76	291600	1.49
4001 to 5000	32	1.88	153600	0.78
5001 to 10000	67	3.93	474000	2.42
10001 to above	59	3.46	16604400	84.86
Grand Total	1703	100	19566000	100

O) Category of Shareholders as on March 31, 2024:

Category	No. of Shares held	% of Shareholding
Promoters including Promoter Company	14594400	74.59

Alternate Investment Fund	458400	2.34
Foreign Portfolio Investor (Corporate)- Category I	399600	2.04
Financial Institutions/ Banks	6000	0.03
Mutual Fund	0	0.00
Bodies Corporate	129600	0.66
NRIs	22800	0.12
Other (Clearing Member)	7200	0.04
Other (Firm)	0	0.00
Public	3948000	20.18
Hindu Undivided Family (HUF)	0	0
Trust	0	0.00
Total	19566000	100

P) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity: The Company has not issued any GDRs/ADRs.

Q) Credit Rating: During the year under review no credit rating was required by the Company.

9. CODE OF CONDUCT

The Company has an approved Code of Conduct applicable to Directors and Senior Management personnel. A certificate of affirmation in this regard forms part of this Report.

10. RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in detail in Note to Accounts annexed to the financial statements for the year. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company at large.

11. CEO / CFO CERTIFICATION

The Chairman/Managing Director and CFO have issued certificate pursuant to the provisions of under Regulation 17(8) of the (LODR) Reg, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

12. INCOME TAX PAN MANDATORY FOR TRANSFER OF SECURITIES:

As per Regulation 40(7) read with Schedule VII of the Listing Regulations, for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the listed entity for registration of transfer of securities.

13. PLANT LOCATIONS:

Viramgam Co. op. Ind. Estate Ltd, Plot no. 4 & 5, Situated at Survey No. 1359, 1360 Village-Viramgam Taluka- Viramgam, District-Ahmedabad-382150, Gujarat.

14. ADDRESS FOR CORRESPONDENCE:

For both Physical and Electronic Form:

M/s Bigshare Services Private Limited
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai - 400093.
Telephone- +91-022-62638200; E-mail: ipo@bigshareonline.com
Website: www.bigshareonline.com

For any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non-receipt of dividend or any other query, relating to shares:

Registered Office : 1001/1, Parshwa Tower, Nr Pakvan Hotel, S. G. Highway, Bodakdev, Ahmedabad, Gujarat, India, 380054
Telephone Nos. : + 917935335483
Compliance Officer : CS Vrunda Upendra Dattani (Resigned w.e.f. January 01, 2024)

**For and on behalf of the Board of Directors of
PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**

**PRAVINCHANDRA VASOLIA
MANAGING DIRECTOR
DIN- 02896534**

**VALLABH SAVALIYA
WHOLE-TIME DIRECTOR
DIN- 00155542**

**Date- September 5, 2024
Place- Ahmedabad**

DECLARATION STATING THE COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT:

(In terms of Regulations 26(3) and 34(3) read with Schedule V of the Listing Regulations)

This is to confirm that the Company has adopted a Code of Conduct of Board of Directors and Senior Management, which is available on the Company's website.

I confirm that the Company has in respect of the Financial Year ended 31st March, 2024, received from the Members of the Board and Senior Management Personnel, a declaration of compliance with the Code of Conduct of Board of Directors and Senior Management as applicable to them.

**For and on behalf of the Board of Directors of
PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**

**PRAVINCHANDRA VASOLIA
MANAGING DIRECTOR
DIN- 02896534**

Date- September 5, 2024

Place- Ahmedabad

CHIEF FINANCIAL OFFICER CERTIFICATE

[As per Regulation 17 and Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015].

I certify that:

A. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 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 Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their 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. I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. I have indicated to the auditors and the Audit committee

(1) Significant changes in internal control over financial reporting during the year;

(2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) Instances of significant fraud of which they 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.

**For and on behalf of the Board of Directors of
PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**

**Nikita Kiritbhai Muliya
CFO**

Date- September 5, 2024

Place- Ahmedabad

A 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 IS PRODUCED BELOW:

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(I) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**To,
The Members of
Paragon Fine and Speciality Chemical Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Paragon Fine and Speciality Chemical Limited, having CIN U24304GJ2018PLC105071 and having registered office at 1001/1, Parshwa Tower, Nr Pakvan Hotel, S. G. Highway, Bodakdev, Ahmedabad, Gujarat, India, 380054 (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 Schedule V Para-C Sub clause 10(I) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sr. No	Name of Director	DIN	Date of appointment in Company*
1	Vallabh Ratanji Savaliya	00155542	02/11/2018
2	Pravinchandra Jasmat Vasolia	02896534	02/11/2018
3	Kishorkumar Panchabhai Patolia	00320207	02/11/2018
4	Kishankumar Dhirajlal Tilva	09720108	14/07/2023
5	Soumitra Sachipati Banerjee	02796216	27/08/2022
6	Jasmin Jasmatbhai Patel	03030002	26/06/2023
7	Rutesh Vallabhbhai Savalia	08533056	14/07/2023
8	Shivam Kishorbhai Patolia	10030825	14/07/2023
9	Insiya Qaidjohar Nalawala	08436102	14/07/2023

* the date of appointment is as per the MCA Portal.

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 & its officers, We hereby certify that none of the Directors on the Board of the Company as stated above 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.

Ensuring the eligibility of 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.

Krushang Shah & Associates

Krushang Shah
Company Secretary in practice
ACS No.: 42187
C P No.: 26085
PRC : 3653/2023
UDIN: A042187F001095481

Place: Ahmedabad
Date: August 31, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

We are engaged in the business of custom synthesis and manufacturing of chemical intermediates involving complex and differentiated chemistry. We commenced business as a partnership firm in the year 2004 and have, over the years, evolved into custom synthesis and manufacturing of Pharma Intermediates, AGRO intermediates, Cosmetics Intermediates, Pigment Intermediates and Dye Intermediates etc. for a diverse base of Indian and global customers. We work with an approach towards chemistry combined with technology and systems that would lead to sustained product development. Our diverse range of products finds applications across various industries, including pharma, agrochemicals, cosmetics, pigments and dyes.

We have a state-of-art Pilot Plant, which is a vital link between R&D and large scale production. We have a pilot plant with two glass line assembly and three reactors installed, for batch reaction technology. We use various chemistry compositions like: Acetylation, Amination, Catalytic hydrogenation, Chlorosulfonation, Methoxylation, Nitration, Amidation, Ethoxylation, Sulphonation etc which enables us to cater to niche and advanced intermediate requirements of a wider range of end-products and applications.

We have a dedicated in-house R&D facility which is equipped with laboratories engaged in development and innovation of catalytic process, new chemical screening, which assists us in pursuing efficiencies from the initial conceptualization up to commercialization of a product. The Department of Scientific and Industrial Research has also recognized our in-house R&D facility. We have a diversified products portfolio due to our research and development (“R&D”) and technological capabilities. Our R&D team has successfully carried out multi-step synthesis and scale-up for several new molecules in the area of specialty intermediates and as a result expanded our commercialized product portfolio from around 100 products in Fiscal 2021 to around 140 products in Fiscal 2023. As of March 31, 2023, we have a team of 14 technocrats (with degrees such as Bachelor of Science, Master of Science, B. Pharma or Bachelor of Engineering.)

We are a One Star Export House exporting in countries like: USA, Israel, Spain, United Kingdom, China, Switzerland, Taiwan, Thailand, Mexico, Japan, Russia, France, Indonesia, Latvia, Germany etc. As of March 31, 2023, our product portfolio comprised of around 140 products.

Our Company is led by our Promoters Dr. Pravinchandra Jasmat Vasolia, Kishorkumar Panchabhai Patolia and Vallabh Ratanji Savaliya each of whom is having an experience of more than 3 decades in the chemical and associated industry. Each of our Promoters is actively involved in the critical aspects of our business, including R&D, catalytic process and production, finance and marketing.

INDUSTRY OVERVIEW

SPECIALITY CHEMICAL AND INTERMEDIARIES

India's chemicals industry is de-licensed, except for few hazardous chemicals. In the Indian chemical industry, alkali chemicals have the largest share with ~71.9% in the total production from April to July 2021 (FY22); production of polymers accounts for ~59% of the total production of basic key petrochemicals in 2019. The chemical industry is expected to contribute US\$ 300 billion to India's GDP

by 2025.

India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at global level (excluding pharmaceuticals). The chemicals industry in India covers more than 80,000 commercial products with overall market size standing at US\$ 178 billion in 2018-19. The industry is expected to grow at 9.3% to reach US\$ 304 billion by 2025 on the back of rising demands in the end-user segments for specialty chemicals and petrochemicals. The specialty chemicals sector is expected to reach US\$ 40 billion by 2025.

Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report. A revival in domestic demand and robust exports will spur a 50% YoY increase in the capex of specialty chemicals manufacturers in FY22 to Rs. 6,000 - 6,200 crore (US\$ 815-842 million). Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports. In FY22, India's dye exports totalled US\$ 3.24 billion.

Chemical production reached 907,639 MT in August 2022, while pet rochemical production reached 1,727,019 MT. In August 2022, production levels of various chemicals were as follows: Soda Ash: 267,416 MT, Caustic Soda: 283,279 MT, Liquid Chlorine: 203,195 MT, Formaldehyde: 26,842 MT and Pesticides and Insecticides: 18,881 MT. A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.

- Specialty chemicals account for 20% of the global chemicals industry's US\$ 4 trillion, with India 's market
- expected to increase at a CAGR of 12% to US\$ 64 billion by 2025. This gain would be driven by a healthy demand growth (CAGR of 10-20%) in the export/end-user industries.
- The Indian dyes and pigments market is projected to reach US\$ 63 billion by 2022, accounting for about 16-18% of the global dye production.
- The agrochemicals market in India is expected to register 8.6% CAGR to reach US\$ 7.4 billion between 2021 and 2026.
- The import of agro-chemical was US\$ 1.79 billion, dyes were US\$ 0.31 billion and the other dye intermediates were US\$ 1.22 billion during April-March 2023.
- Around 50% of the agro-chemicals are exported from India to the world.
- India is the top producer and exporter of castor oil, with 85-90 % of total global exports in the world.
- India holds a strong position in international trading of chemicals and ranks 9th in exports and 6th in imports at a global level (excluding pharmaceuticals).
- The specialty chemicals market in India would grow faster than China, increasing its market share to 6% by 2026 from 3-4% in fiscal 2021. A shift in the global supply chain brought on by the China+1 strategy and a resurgence in domestic end-user demand will fuel significant revenue growth of 18–20% in 2022 and 14–15% in 2023.

SPECIALTY CHEMICALS - AGGRESSIVE CAPEX TO DRIVE GROWTH

- Specialty chemical companies in India have started accelerating their capex plan on the back of strong growth visibility and emerging opportunities

- Due to growing environmental concerns, many chemical companies in China ceased activities in 2018; this led to an increase in manufacturing of specialty chemicals in the Indian market to ensure uninterrupted supply
- Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report.
- A revival in domestic demand and robust exports will spur a 50% YoY increase in the capex of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million).
- Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports.

OPPORTUNITIES, THREATS AND CONCERN

OPPORTUNITIES

- India's specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas.
- In July 2021, the government announced discovery of indigenous deposits of phosphatic rocks. This will help expand fertiliser production domestically and boost self-reliance in fertiliser production.
- The Odisha government accepted investment applications worth ~US\$ 345.3 million in the metal, cement, chemical, plastic, food processing and manufacturing sectors in April 2021. This is likely to generate 2,755 jobs.

Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Inability to promptly identify and respond to changing customer preferences or evolving trends and if one or more of our major customers choose not to source their requirements from us or to terminate our long-term contracts;
3. Our ability to effectively manage the operations of and costs associated with our manufacturing facilities;
4. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations;
5. Certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances;
6. Our operations are dependent on our R&D capabilities and an inability to continue to design catalytic processes may adversely affect our business;
7. Our reliance on a combination of trade mark, trade secret, copyright law and contractual restrictions and our inability to protect our intellectual property rights;
8. Exchange rate fluctuations that may adversely affect our results of operations, since our sales from exports and a portion of our expenditures are denominated in foreign currencies;
9. We may not be able to sustain our historical growth rates, and our historical performance may not be indicative of our future growth or financial results;
10. Failure to successfully upgrade our product portfolio, from time to time;
11. Any change in government policies resulting in increases in taxes payable by us;
12. Our ability to retain our key managements persons and other employees;

13. Changes in laws and regulations that apply to the industries in which we operate;
14. Our ability to grow our business;
15. Restrictions on the import of our raw materials and/or an increase in shipment costs;
16. Reduction in the demand of our products;
17. Failure to comply with the quality standards and requirements of our customers;
18. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
19. Company's ability to successfully implement its growth strategy and expansion plans ;
20. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
21. Inability to successfully obtain registrations in a timely manner or at all;
22. Occurrence of Environmental Problems & Uninsured Losses;
23. Conflicts of interest with affiliated companies, the promoter group and other related parties;
24. Any adverse outcome in the legal proceedings in which we are involved;
25. Concentration of ownership among our Promoters;
26. Other factors beyond our control.

OUTLOOK

Our company is well-poised to capitalize on opportunities and initiatives by the Government of India, creating value for all of the stakeholders involved, in the process. We believe a significant demand for our products is generated in India owing to our government's objective to enhance domestic sourcing as well as self-reliance, and that our ability to supply chemical intermediates enables us to tap growth opportunities. We also intend to capitalize on the unutilized capacity at our manufacturing facility to further increase production of our current portfolio and take advantage of the experience of our sales and marketing team to increase our visibility in the domestic and international market.

INTERNAL CONTROL FRAMEWORK

Your Company conducts its business with integrity and high standards of ethical behaviour, and in compliance with the laws and regulations that govern its business. Your Company has a established framework of internal controls in operation, supported by standard operating procedures, policies and guidelines, including self-assessment exercises. The Company time to time seek evaluating the adequacy of all internal controls and ensuring that operating and business units adhere to internal processes and procedures as well as to regulatory and legal requirements.

PEOPLE AND PRACTICES:

The Board of Directors continues to challenge the management and push for higher targets. The Board's well-rounded experience comprises individuals with experience in the field the Company operates. The Board continues to provide long term direction to the Company and engages actively towards initiatives inputs on the Company's long-term vision.

The Company recognizes the importance and contribution of its human resources for its growth and development and values their talent, integrity and dedication. With the focus to develop leadership talent from within, the Company conduct various programmes. Employee motivation is key to organization success. On these lines, the Company conducts its various social programs and motivate them. As on March 31, 2024, the Company has 77 employees.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your Company has achieved a total income of Rs. 1265.99 Lakh during the year under review as against Rs. 10501.19 Lakh in the previous financial year. The net profit after tax of the Company for the year under review is Rs. 1431.08 Lakh as compared to profit of Rs. 985.71 Lakh for the previous year. The net profit before tax for the year under review is Rs. 1923.62 Lakh as compared to profit of Rs. 1356.52 Lakh for the previous year.

FINANCIAL RATIOS

Particulars	As at 31-3-2024	As at 31-3-2023	% Variance
Current Ratio	5.19	1.81	187%
Debt-Equity Ratio	0.10	1.13	-91%
Debt Service Coverage Ratio	4.71	9.68	-51%
Return on equity ratio	0.27	0.57	-52%
Inventory Turnover Ratio	4.48	5.86	-24%
Trade Receivables Turnover Ratio	4.58	4.20	9%
Trade payables Turnover Ratio	5.69	3.77	51%
Net Capital Turnover Ratio	2.34	4.68	-50%
Net Profit Ratio	11.87%	9.64%	23%
Return on Capital Employed	21.84%	39.69%	-45%

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report containing the objectives, expectations or predictions of the company may be forward-looking within the meaning of securities laws and regulations. Actual results may differ materially from those expressed in the statement. The operations of the Company could be influenced by various factors such as domestic and global demand and supply conditions affecting sales volumes and selling prices of finished goods, input availability and cost, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
Paragon Fine and Speciality Chemical Limited
(CIN: U24304GJ2018PLC105071)
Ahmedabad.

Opinion

We have audited the accompanying financial statements of **Paragon Fine and Speciality Chemical Limited** ("the Company"), (CIN: U24304GJ2018PLC105071), which comprise the Balance Sheet as at 31st March 2024, Statement of Profit and Loss for the period from April 01, 2023 to March 31, 2024, Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of 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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, and its Profits and Cash Flows for the year ended on 31st March, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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 opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How the Matter was addressed in our Audit
1	Revenue Recognition: - Revenue from sale of goods is recognized when control is transferred to the customers and	Our audit procedures to assess the appropriateness of revenue recognized included the following;

	<p>when there are no other unfulfilled obligations. This requires detailed analysis of each sale agreement/ contract /customer purchase order regarding timing of revenue recognition.</p> <p>Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer.</p> <p>Subsequent adjustments are made to the transaction price due to grade mismatch/slippage of the transferred goods.</p> <p>The variation in the contract price if not settled mutually between the parties to the contract is referred to third party testing and the Company estimates the adjustments required for revenue recognition pending settlement of such dispute.</p> <p>Such adjustments in revenue are made on estimated basis following historical trend. Inappropriate estimation could lead to a risk of revenue being overvalued or undervalued.</p> <p>Accordingly, timing of recognition of revenue and adjustments for coal quality variances involving critical estimates is a key audit matter.</p>	<p>Our audit procedures, considering the significant risk of misstatement related to revenue recognition, included amongst other:</p> <ul style="list-style-type: none"> - Obtaining an understanding of an assessing the design, implementation and operating effectiveness of the Company's key internal controls over the revenue recognition process. - Examination of significant contracts entered into close to year end to ensure revenue recognition is made in correct period. <p>Testing a sample of contracts from various revenue streams by agreeing information back to contracts and proof of delivery as appropriate and ensure revenue recognition policy is in accordance with principles of AS 9.</p> <p>Our testing as described above showed that revenue has been recorded in accordance with the terms of underlying contracts and accounting policy in this area.</p>
2	<p>Inventory and Valuation of Inventories and Physical Verification of Inventories: -</p> <p>The carrying value of inventory as at 31st March 2024 is Rs. 3,155.95 Lakhs. The inventory is valued at the lower of cost and net realizable value except raw material and packing which is stated at cost.</p> <p>We considered the value of inventory as a key audit matter given the relative size of its balance in the financial statements and significant judgment involved in the consideration of factors in determination of selling prices such as fluctuation of raw materials prices in the market and in determination of net realizable value. (Refer Note No. 12 to the Financial Statement)</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> - We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory. - Assessing the appropriateness of Company's accounting policy for valuation of inventories and compliance of the policy with the requirements of the prevailing Indian accounting standards. - We considered various factors including the actual selling price prevailing around and subsequent to the year-end.

		<ul style="list-style-type: none"> - Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value. <p>Based on the above procedures performed, the management's determination of the net realizable value of the inventory as at the year end and comparison with cost for valuation of inventory is considered to be reasonable.</p> <p>It is not possible for us to physically verify the Inventories of raw materials, stores and spares, and packing materials at the year end. As per the information given to us by the management, that the management of the company physically verify the inventories at regular intervals. We have relied on such verification and valuation done by the management of the company.</p>
3	<p>Carrying Value of Trade Receivables and Advances:-</p> <p>The collectability of the company's Trade Receivables and Advances (Including Trade Advances), the valuation of allowance for impairment of trade receivables and provision for bad and doubtful debt require significant management judgment. As per the current assessment of the situation based on the Internal and external information available up to the date of approval of these financial results by the Board of Directors, the Company believes that there is no indication of any material impact on the carrying value.</p> <p>Management uses this information to determine whether a provision for impairment or for bad debt is required either for a specific transaction or for a customer's balance overall.</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> - We assessed a sample of trade receivables and advances. - We assessed the ageing of trade receivables and advances, the customer's historical payment patterns and whether any post year-end payments have been received up to the date of completing our audit procedures. - We also discussed with the management regarding any disputes between the parties involved, attempts by management to recover the amounts outstanding and on the credit status of significant counterparties wherever available.

	<p>Accordingly, it has been determined as a key audit matter.</p>	<p>In assessing the appropriateness of the overall provision for impairment, we considered the management's application of policy for recognizing provisions.</p> <p>We assessed the Company's provisioning policy and comparing the Company's provisioning against historical collection data.</p> <p>Based on our procedures, we also considered the adequacy of disclosures in respect of trade receivables and advances in the financial statements.</p>
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Information other than Financial Statements and Auditor's Report Thereon

The company's Board of Directors are responsible for the preparation and presentation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including the Annexure to the Board's Report and Share Holder's Information Etc. and other information forming part of annual report, but does not include the financial statement and auditor's 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. Read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities 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 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 users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment 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 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 on the internal control 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 up to 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 presentation, 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 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 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.

Other Matter

The company is converted from private limited to public limited company w.e.f xx/xx/2023. The company has filled its RHP for listing at NSE SME platform. The SEBI has approved the listing of the company. The company is listed on NSE SME platform w.e.f 3rd November, 2023.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2024 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 over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “Annexure-A”.
 - g) With respect to the other matters to be included in the Auditor’s report in accordance with the requirements of Section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions 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 does not have any pending litigations which would impact its financial position.
 - 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.
 - IV.
 - a) The Management has represented that, to the best of its knowledge and belief, 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, 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 dividend during the year.
 - VI. According to Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the company is maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail is properly enabled.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For, Surana Maloo & Co.
(Chartered Accountants)
Firm Registration No.: 112171W

Per, Vidhan Surana
(Partner)
Membership No: 041841
UDIN: 24041841BKAKYY7134

Place : Ahmedabad
Date : 29/05/2024

Annexure - 'A'

**Annexure to the Independent Auditor's Report of even date on the Financial Statements of
Paragon Fine and Speciality Chemical Limited**

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 Fine and Speciality Chemical Limited ("the Company") as of 31st March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Responsibility of Management and Those Charged with Governance 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 Act.

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 the ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, Surana Maloo & Co.
(Chartered Accountants)
Firm Registration No: 112171W

Per, Vidhan Surana
(Partner)
Membership No: 041841
UDIN : 24041841BKAKYY7134

Place: Ahmedabad
Date : 29/05/2024

ANNEXURE- B

Annexure to the Independent Auditors' Report of even date on the Financial Statements of "Paragon Fine and Speciality Chemical Limited"

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Paragon Fine and Speciality Chemical Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that: -

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a)
 - A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once in every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based upon the audit procedure performed and according to the records of the company, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statements included under property, plant and equipment are held in the name of the company as at the balance sheet date.
 - (d) According to the information and explanations given to us, we report that the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - (e) According to the information and explanations given to us, we report that 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 and rules made thereunder.
- (ii)
 - (a) According to the information and explanations given to us, the inventory of Raw Material, Work in Progress and Finished Goods have been physically verified by the management. In our opinion the coverage and procedure of such verification by the management is appropriate. There were no discrepancies of 10% or more in the aggregate for each class of inventory were noticed when compared with the books of account.

- (b) The Company has been sanctioned working capital limits during the year, in excess of Rs. 5 crore, in aggregate, from banks or financial institutions on the basis of security of current assets. According to the information given to us and documents furnished to us we report that the quarterly returns or statements filed by the company with such banks are not in agreement with the books of account of the Company. The details of such differences are shown under table below:

(₹ in Lakhs)

Quarter	Particulars of Security Provided	Amount as per Books	Amount as per Statement Submitted to Bank	Difference
Jun-23	Inventory	2634.34	2617.8	16.54
	Trade Receivables	1967.99	2053.62	(85.16)
	Trade Payables	872.39	1427.05	(554.66)
Sept-23	Inventory	2626.23	2707.3	(81.07)
	Trade Receivables	2694.18	2762.68	(68.5)
	Trade Payables	1774.23	1450.15	324.08
Dec-23	Inventory	2875.16	2873.96	1.2
	Trade Receivables	3005.81	2720.71	285.1
	Trade Payables	723.13	623.53	99.6
Mar-24*	Inventory	3155.95	-	-
	Trade Receivables	2550.43	-	-
	Trade Payables	1164.71	-	-

*Statement for the quarter ended March-24 is not required to be submitted as the company has fully paid the working capital limit outstanding in the books.

- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms and limited liability partnership or other parties covered under the register maintained under section 189 of the Companies Act, 2013.

Hence reporting under the provision of clauses (iii) (a),(b),(c),(d),(e) and (f) of the order are not applicable.

- (iv) In our opinion and according to information and explanation given to us, Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) According to the information and explanations given to us the Company has not accepted deposits (including deemed deposits) from the public within the meaning of Sections 73 to 76 of the Act, and the rules framed there under. Therefore, the reporting requirements of paragraph 3(v) of the Order, is not applicable to the Company.
- (vi) The Company has made and maintained the cost records as prescribed by the Central Government under section 148(1) of the Act and we are of the opinion that, prima facie, the prescribed cost records have been maintained by the company. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Goods and Service 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 in arrears as at 31 March, 2024 for a period of more than six months from the date they became payable.
- (viii) According to the information and explanation given to us, 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).
- (ix) According to the information and explanation given to us,
- (a) The Company has not defaulted in repayment of any loans or other borrowings or in the payment of interest thereon to any lender.
 - (b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
 - (c) To the best of our knowledge and belief and as per the information and explanations given to us by the management, in our opinion, the Company has applied term loan for the purpose for which the loans were obtained.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima face, not been used during the year for long-term purposes by the Company.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) The Company has not raised any loans on the pledge of securities held in its subsidiaries, joint ventures or associate companies during the year.
- (x)
- (a) Based on our audit procedures and according to the information given by the management, moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the order is not applicable to the company.

- (xi)
- (a) According to the information available with us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) According to the information available with us, 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 up to the date of this report.
 - (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) As per information given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)
- (a) According to the information and explanations given to us and based on the audit procedures performed by us, the company has an internal audit system commensurate with the nature and size of the business. Company has appointed internal auditor for the period covered under audit as required under the provisions of section 138 of the Companies Act, 2013.
 - (b) The reports of the Internal Auditors for the period under audit were considered by the Statutory Auditor.
- (xv) As per information given to us, 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.
- (xvi)
- (a) According to the information given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under this clause is not applicable.
 - (b) According to the information given to us, the company has not conducted any Non-Banking Financial or Housing Financial Activities without a valid certificate of Registration (CoR) from the Reserve Bank of India. Hence, reporting under this clause is not applicable.
 - (c) According to the information given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under this clause is not applicable.

- (d) According to the information given to us, there is no Core Investment Company (CIC) within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under this clause is not applicable.
- (xvii) As per information available with us, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the company during the year and hence reporting under the clause is not applicable.
- (xix) 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.
- (xx)
- (a) In respect of other than ongoing projects, there are no any unspent amount that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) According to the information available with us, the company does not have any ongoing projects, hence reporting in compliance of provision of sub section (6) of section 135 of Companies Act under this clause is not applicable.

For, Surana Maloo & Co.
(Chartered Accountants)
Firm Reg. No: 112171W

Per, Vidhan Surana
Partner
Membership No: 041841
UDIN -24041841BKAKYY7134

Place : Ahmedabad

Date : 29/05/2024

PARAGON FINE AND SPECIALITY CHEMICAL LIMITED

CIN : U24304GJ2018PLC105071

BALANCE SHEET AS ON 31ST MARCH, 2024

(Amount in Lakhs)

Particulars		Note No.	As at 31st March, 2024	As at 31st March, 2023
1		2	3	4
I. EQUITY AND LIABILITIES				
1 Shareholders' Funds				
(a) Share Capital	1		1,956.60	360.00
(b) Reserves & Surplus	2		6,391.33	1,867.45
2 Non Current Liabilities				
(a) Long-Term Borrowings	3		841.16	1,442.12
(b) Deferred Tax Liabilities(net)			35.76	31.27
(c) Long-Term Provisions	4		17.85	18.37
3 Current Liabilities				
(a) Short-Term Borrowings	5		27.57	1,078.91
(b) Trade Payables	6			
i) Total Outstanding dues of MSME			150.26	114.68
ii) Total Outstanding dues of creditors other than MSME			1,109.18	1,895.10
(c) Other Current Liabilities	7		24.51	16.18
(d) Short-Term Provisions	8		498.50	273.75
TOTAL			11,052.72	7,097.84
II. ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment and Intangible assets	9			
(i) Property, Plant and Equipment			1,086.56	937.78
(ii) Capital Work-in-progress			61.95	-
(b) Non-Current Investments	10		0.05	0.05
(c) Other Non-Current Assets	11		507.88	50.70
2 Current Assets				
(a) Inventories	12		3,155.95	2,225.56
(b) Trade Receivables	13		2,550.43	2,710.98
(c) Cash & Cash Equivalents	14		2,391.60	129.92
(d) Short-Term Loans & Advances	15		94.10	10.47
(e) Other Current Assets	16		1,204.19	1,032.39
TOTAL			11,052.72	7,097.84
Significant Accounting Policies	A & B			
Notes forming part of Financial Statements	1 to 25			

For, PARAGON FINE AND SPECIALITY CHEMICAL LIMITED

As per our report of even date,
For, Surana Maloo & Co.
(Chartered Accountants)
Firm Registration No.: 112171W

Pravinchandra Vasolia
Managing Director
DIN : 02896534

Vallabhbhai Savaliya
Whole-time Director
DIN : 00155542

per, Vidhan Surana
(Partner)

Nikita Muliya
Chief Financial Officer

Sonalkumari Yadav
Company Secretary
ACS - A60881

Membership No:041841
UDIN :-24041841BKAKYY7134

Place: Ahmedabad
Date: 29th May ,2024

Place: Ahmedabad
Date: 29th May ,2024

PARAGON FINE AND SPECIALITY CHEMICAL LIMITED

CIN : U24304GJ2018PLC105071

PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2024

(Amount in Lakhs)

Particulars		Note No.	For the period ended 31st March, 2024	For the period ended 31st March, 2023
I.	Revenue From Operations	17	12,132.73	10,405.53
II.	Other Income	18	133.25	95.66
III.	Total Income (I + II)		12,265.99	10,501.19
IV.	Expenses:			
	Cost of Materials Consumed	19	4,265.94	7,447.96
	Purchases of Stock-in-Trade	20	4,236.09	-
	Changes in Inventories of Finished Goods & WIP	21	(129.54)	(222.93)
	Employee Benefit Expenses	22	583.92	514.76
	Finance Cost	23	99.73	118.22
	Depreciation and Amortization Expense	9	90.70	82.79
	Other Expenses	24	1,195.52	1,203.87
	Total Expenses		10,342.37	9,144.67
V.	Profit Before Tax (III - IV)		1,923.62	1,356.52
VI.	Tax Expense:			
	- Current Tax		488.83	363.29
	- Deffered Tax Liabilities/(Asset)		4.49	7.81
	- Short/Excess Provision of Income Tax		(0.78)	(0.28)
VII.	Profit/(Loss) for the period (V - VI)		1,431.08	985.71
VIII.	Earnings Per Equity Share:			
	Basic & Diluted (in Rs.)		8.66	27.38
	Significant Accounting Policies	A & B		
	Notes forming part of Financial Statements	1 to 25		

For, PARAGON FINE AND SPECIALITY CHEMICAL LIMITED

As per our report of even date,
For, Surana Maloo & Co.
(Chartered Accountants)
Firm Registration No.: 112171WPravinchandra Vasolia
Managing Director
DIN : 02896534Vallabhbhai Savaliya
Whole-time Director
DIN : 00155542Nikita Muliya
Chief Financial OfficerSonalkumari Yadav
Company Secretary
ACS - A60881per, Vidhan Surana
(Partner)
Membership No:041841
UDIN :-24041841BKAKYY7134Place: Ahmedabad
Date: 29th May ,2024Place: Ahmedabad
Date: 29th May ,2024

PARAGON FINE AND SPECIALITY CHEMICAL LIMITED

CIN : U24304GJ2018PLC105071

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2024

(Amount in Lakhs)

PARTICULARS	For the period ended 31st March, 2024		For the period ended 31st March, 2023	
	(Amount in `)	(Amount in `)	(Amount in `)	(Amount in `)
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extra Ordinary Items		1,923.62		1,356.52
Add back / (Less) :				
(a) Interest Paid	99.73		118.22	
(b) Interest Received	(63.24)		(0.16)	
(c) (Profit)/Loss on Sale of asstes	-		(3.39)	
(d) Gratuity Provision	-		-	
(e) Depreciation	90.70	127.19	82.79	197.46
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		2,050.81		1,553.98
Adjustment For Working Capital Changes:				
(a) Decrease / (Increase) in Inventory	(930.39)		(959.20)	
(b) Decrease / (Increase) in Trade and Other Receivables	418.24		(340.05)	
(c) Increase / (Decrease) in Trade and other Payables	(748.37)	(1,260.51)	(355.37)	(1,654.62)
CASH GENERATED FROM OPERATIONS		790.30		(100.64)
Deduct:				
Direct Taxes paid (Net)	(770.61)	(770.61)	(104.75)	(104.75)
NET CASH FROM OPERATING ACTIVITIES		19.69		(205.39)
B CASH FLOW FROM INVESTING ACTIVITIES:				
(a) Interest Received	63.24		0.16	
(b) Purchase of Fixed Assets	(301.43)		(79.77)	
(c) Sales of Fixed Assets	-		21.10	
(d) Investment in Fixed Deposit	(1,457.94)			
(e) Proceeds from Other Deposits	(56.59)	(1,752.72)	(0.28)	(58.79)
NET CASH USED IN INVESTING ACTIVITIES		(1,752.72)		(58.79)
C CASH FLOW FROM FINANCING ACTIVITIES:				
(a) Short term Borrowings	(1,051.34)		379.09	
(b) Interest Paid	(99.73)		(118.22)	
(c) Proceeds from Issue of Share Capital	4,689.41			
(d) Long term Borrowings	(600.96)	2,937.37	71.82	332.69
NET CASH USED IN FINANCING ACTIVITIES		2,937.37		332.69
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		1,204.34		68.50
OPENING BALANCE- CASH AND CASH EQUIVALENT		128.92		60.42
CLOSING BALANCE- CASH AND CASH EQUIVALENT		1,333.26		128.92
Significant Accounting Policies	A & B			
Notes forming part of Financial Statements	1 to 25			

For, PARAGON FINE AND SPECIALITY CHEMICAL LIMITED

As per our report of even date,
For, Surana Maloo & Co.
(Chartered Accountants)
Firm Registration No.: 112171W

Pravinchandra Vasolia
Managing Director
DIN : 02896534

Vallabhbai Savaliya
Whole-time Director
DIN : 00155542

Nikita Muliya
Chief Financial Officer

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per, Vidhan Surana
(Partner)
Membership No:041841
UDIN :-24041841BKAKYY7134

Place: Ahmedabad
Date: 29th May ,2024

Place: Ahmedabad
Date: 29th May ,2024

PARAGON FINE AND SPECIALITY CHEMICAL LIMITED
Notes forming part of the Financial Statements

Note: 1 Share Capital

<u>Particulars</u>	As at 31st March, 2024		As at 31st March, 2023	
	Number	(₹ in Lakh)	Number	(₹ in Lakh)
Authorised				
Equity Shares of Rs. 10 each	20,000,000	2,000.00	12,000,000	1,200.00
Issued, Subscribed and Paid Up				
Equity Shares of Rs. 10 each fully paid up	19,566,000	1,956.60	3,600,000	360.00
Total	19,566,000	1,956.60	3,600,000	360.00

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

<u>Particulars</u>	Equity Shares		Equity Shares	
	As at 31st March, 2024		As at 31st March, 2023	
	Number	(₹ in Lakh)	Number	(₹ in Lakh)
Shares outstanding at the Beginning of the Year	3,600,000	360.00	100,000	10.00
Share Issued during the Year	* 1,59,66,000	1,596.60	# 35,00,000	350.00
Shares outstanding at the end of the Year	19,566,000	1,956.60	3,600,000	360.00

In the month of July-2022 company has issued bonus share in proportion of 35:1 of present share holding.

* In the month of July-2023 company has issued bonus share in proportion of 3:1 of present share holding.

* The Company has completed Initial Public Offer of 51,66,000 Equity Shares of the face value of Rs.10 each at an issue price of Rs.100 per Equity Share, comprising fresh issue of 51,66,000 shares aggregating to Rs. 516.60 Million. The Equity Shares of the Company were listed on 03rd November, 2023 on SME Platform of NSE Limited.

Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled for 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.

Statement of persons holding more than 5% shares in the company

Name of Shareholder	Equity Shares			
	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vallabhbhai Ratnaji Savaliya	2,343,600	11.98%	576,000	16.00%
Kishor Panchabhai Patolia	3,180,000	16.25%	1,080,000	30.00%
Pravinchandra Jasmat Vasolia	4,941,600	25.26%	1,224,000	34.00%
Rutesh Vallabhbhai Savaliya	1,173,600	6.00%	288,000	8.00%
Zankar Vallabhbhai Savaliya	1,172,400	5.99%	288,000	8.00%
Shivam Kishorbhai Patoliya	1,200,000	6.13%	-	0.00%
Others	5,554,800	28.39%	144,000	4.00%
Total	19,566,000	100.00%	3,600,000	100.00%

Statement of Shareholding of Promoters:

Name of Promoters	Equity Shares				% of holding change during the Year
	As at 31st March, 2024		As at 31st March, 2023		
	Number of Shares	% of holding	Number of Shares	% of holding	
Vallabhbhai Ratnaji Savaliya	2,343,600	11.98%	576,000	16.00%	-4.02%
Kishor Panchabhai Patolia	3,180,000	16.25%	1,080,000	30.00%	-13.75%
Pravinchandra Jasmat Vasolia	4,941,600	25.26%	1,224,000	34.00%	-8.74%
Rutesh Vallabhbhai Savaliya	1,173,600	6.00%	288,000	8.00%	-2.00%
Shivam Kishorbhai Patoliya	1,200,000	6.13%	-	0.00%	6.13%

Equity shares movement during the 5 years preceding March 31, 2024

- i) The company allotted 35,00,000 equity shares as fully paid up bonus shares by capitalisation of reserve & surplus balance during the FY 2022-23.
- ii) The company allotted 1,08,00,000 equity shares as fully paid up bonus shares by capitalisation of reserve & surplus balance during the FY 2023-24.
- iii) The Company has completed Initial Public Offer of 51,66,000 Equity Shares of the face value of Rs.10 each at an issue price of Rs.100 per Equity Share, aggregating to Rs. 516.60 Million during the FY 2023-24.

PARAGON FINE AND SPECIALITY CHEMICAL LIMITED
Notes forming part of the Financial Statements

Note: 2 **Reserves & Surplus**

Particulars	As at 31st March, 2024	As at 31st March, 2023
	(Amount in `)	(Amount in `)
i) General Reserve:		
Opening Balance	1,867.45	1,231.74
Add : Net Profit For the Year	1,431.08	985.71
Less: Bonus Issued *	(1,080.00)	(350.00)
Closing Balance	2,218.53	1,867.45
ii) Security Premium:		
Opening Balance	-	-
Add : Initial Public Offer (IPO) Proceeds	4,649.40	-
Less: IPO Expenditures	(476.59)	-
Closing Balance	4,172.81	-
Total Reserve & Surplus	6,391.33	1,867.45
* During the FY 2022-23 the company has issued bonus shares of 35,00,000 at Rs. 10 each by capitalising reserves & surplus balances.		
* During the FY 2023-24 the company has issued bonus shares of 1,08,00,000 at Rs. 10 each by capitalising reserves & surplus balances.		

Note: 3 **Long-Term Borrowings**

Particulars	As at 31st March, 2024	As at 31st March, 2023
	(Amount in `)	(Amount in `)
Secured Loan :-		
From Bank	63.33	350.21
From NBFC	-	28.27
Unsecured Loan :-		
From Directors & Relatives	777.83	1,063.65
Total	841.16	1,442.12

I) Secured Loan From NBFC and Bank :-

A. Term Loans - Vehicle Loans

The company has obtained various term loans - vehicle loans from Daimler Financial Services India Private Limited and HDFC Car Loan.

B. Terms of Re-Payment :-

	Rate of Interest (%)
Loan-1 Repayable in 36 monthly instalments of Rs. 69,500/- (including interest)	9.23
Loan-2 Repayable in 36 monthly instalments of Rs. 92,700/- (including interest)	9.23
Loan-3 Repayable in 36 monthly instalments of Rs. 92,700/- (including interest)	9.23
Loan-4 Repayable in 60 monthly instalments of Rs. 82,869/- (including interest)	6.85
Loan-5 Repayable in 60 monthly instalments of Rs. 71,200/- (including interest)	6.95
Loan-6 Repayable in 60 monthly instalments of Rs. 82,869/- (including interest)	6.85
Loan-7 Repayable in 60 monthly instalments of Rs. 16,155/- (including interest)	7.25
Loan-8 Repayable in 60 monthly instalments of Rs. 23,375/- (including interest)	8.85

Note: Loan 1,2 & 3 are repaid during the FY 2023-24.

C. Securities Offered - Primary Security :-

All vehicle loans are secured by the hypothication of the respective vehicles purchased out of the said loans.

II) Unsecured Loan From Directors & Relatives :-

The said loans are repayable on demand when there is surplus cash available with the company. Based on the management's assessment of repayment the same has been classified as non-current.

Note: 4

Long-Term Provisions

Particulars	As at 31st March, 2024	As at 31st March, 2023
	(Amount in `)	(Amount in `)
Provision For Gratuity	17.85	18.37
Total	17.85	18.37

Note: 5 **Short-Term Borrowings**

Particulars	As at 31st March, 2024	As at 31st March, 2023
	(Amount in `)	(Amount in `)
Secured :		
Bank overdraft or Cash Credit	-	1,028.36
Current Maturity For Long Term Debt *	27.57	50.55
Total	27.57	1,078.91
* Refer Note :- 3 for Terms and rate of interest.		

A) Cash Credit - YES Bank Limited:-
Collateral Security :-

1. Exclusive charge by way of Hypothecation on current asset and movable fixed assets for both present and future.

2. Equitable/Registered mortgage on property situated at:

- Equitable Mortgage of Existing property located at A-5, Paras Bunglows Part-1, Opp. Govt. Tubewell, Near Telephone Exchange, Bopal Ahmedabad.
- Equitable Mortgage of Existing property located at Parshwanath Tower, 10th Floor, Nr. Pakwan Restaurant S G highway, Ahmedabad.
- Equitable Mortgage of Existing property located at 603, Royal Chinmay Tower, Near juges bungalow char rasta, Setellite road, Ahmedabad
- Equitable Mortgage of Existing property located at 013, Groud Floor, Sunrise Shopping mall, Near Swaminarayan Tample, Vasrtapur, Ahmedabad.
- Equitable Mortgage of Existing property located at Plot No. 4 & 5, The Viramgam Co. Op. Industrial Estate Limited, Nr. Balapir Darga, Viramgam, Hansalpur, Gujarat- 382150
- Equitable Mortgage of Existing property located at A/07, milenium Plaza, Nr. Mansi Circle, Ahmedabad-380015.

3. Personnel Guarantee

- Mr. Pravinchandra J Vasolia
- Mr. Kishorbhai Patolia
- Mr. Vallabbhai Savaliya

4. Life Insurance Policies in the Name of Company:

Name	Policy No.	Surrender Value
Max Life Insurance Co. Ltd.	520631011	56.52
Max Life Insurance Co. Ltd.	520739160	583.12
Max Life Insurance Co. Ltd.	520575846	114.05
Total		753.69

5. Rate Of Interest

Effective rate of interest is 8.40% which is 3.50% (spread) over and above marked up Yes bank External Benchmark Lending Rate

Note: 6 **Trade Payables**

Particulars	As at 31st March, 2024	As at 31st March, 2023
	(Amount in `)	(Amount in `)
Undisputed Dues		
- Micro, Small and Medium Enterprises	150.26	114.68
- Others	1,109.18	1,895.10
Total	1,259.44	2,009.78

*Refer Note 6.1 for Ageing of Trade payables as required under schedule III (amended) of Companies Act, 2013.

Reporting under Micro, Small and Medium Enterprise Development Act, 2006 :-

<u>Disclosure under MSMED Act, 2006</u>	As at	As at
	31st March, 2024	31st March, 2023
	(Amount in Rs.)	(Amount in Rs.)
Principal amount due to suppliers under MSMED Act, 2006	150.26	114.68
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
Interest accrued and remaining unpaid at the end of each of the year to suppliers under	-	-

*The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company.

Note: 7 Other Current Liabilities

Particulars	As at	As at
	31st March, 2024	31st March, 2023
	(Amount in `)	(Amount in `)
<u>Statutory Dues Payable</u>		
TDS/TCS Payable	24.51	15.85
GST Payable (RCM)	-	0.20
<u>Other Payable</u>		
Advance Received From Customers	-	0.13
Total	24.51	16.18

Note: 8 Short-Term Provisions

Particulars	As at	As at
	31st March, 2024	31st March, 2023
	(Amount in `)	(Amount in `)
Audit Fees Payable	4.50	1.75
Provision for CSR *	-	10.93
Provsion for Income Tax	488.83	258.26
Provision for Gratuity	2.48	0.36
Expenses Payable	2.69	2.46
Total	498.50	273.75

* During the year under consideration, company has provided Rs. 12.16 lakhs (including short provision of Rs. 1.23 Lakhs of Previous year) for CSR activities to be undertaken. Such amount is required to be transferred to Specified Fund of Schedule VII to The Companies Act-2013. Refer **Note No. 24(d)** for Detailed disclosure.

Note: 10 Non-Current Investments

Particulars	As at	As at
	31st March, 2024	31st March, 2023
	(Amount in `)	(Amount in `)
Investments in NSC - Sales Tax Guarantee	0.05	0.05
Total	0.05	0.05

Note: 11 Other Non-Current Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
	(Amount in `)	(Amount in `)
Security Deposits	105.32	48.74
Bank Deposit (F.D. having Maturity more then 12 months)	402.56	1.96
Total	507.88	50.70

Note: 12 Inventories

Particulars	As at 31st March, 2024	As at 31st March, 2023
	(Amount in `)	(Amount in `)
Raw Material	2,138.68	1,337.82
Work in Progress	590.85	147.21
Finished Goods	426.43	740.53
Total	3,155.95	2,225.56

Valuation of Inventories	
Raw Materials	Valued at Cost
Finished Goods and Work in Progress	Valued at Cost or Net Realizable Value which ever is lower

Note: 13 Trade Receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
	(Amount in `)	(Amount in `)
Considered Good- Secured	-	-
Considered Good- Unsecured	2,550.43	2,710.98
Credit impaired- Unsecured	-	-
Sub-Total	2,550.43	2,710.98
Less: Allowance for Doubtful debts	-	-
Total	2,550.43	2,710.98

*Refer Note 13.1 for Ageing of Trade payables as required under schedule III (amended) of Companies Act, 2013.

Note: 14 Cash & Cash Equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023
	(Amount in `)	(Amount in `)
<u>A) Cash & Cash Equivalents</u>		
Balances with Banks	68.88	126.12
Balances with Banks (OD)	250.66	-
Cash in hand	6.23	2.80
Bank Deposit (F. D. having Maturity less then 3 months)	1,007.49	-
Total Cash and Cash Equivalents	1,333.26	128.92
<u>B) Other Bank Balances</u>		
i) Bank Deposit (F. D. having Maturity more then 3 months but Less then 12 Months)	1,058.34	1.00

Total Other Bank Balances	1,058.34	1.00
Total	2,391.60	129.92

Note: 15 Short-Term Loans & Advances

Particulars	As at 31st March, 2024	As at 31st March, 2023
	(Amount in `)	(Amount in `)
Unsecured, Considered goods		
Advance Recoverable either in cash or in kind	2.29	2.17
Advances Given to Suppliers	91.80	8.29
Total	94.10	10.47

Note: 16 Other Current Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
	(Amount in `)	(Amount in `)
Balance with Revenue Authorities		
Income Tax Refund AY-2022-23	-	16.23
Duty Drawback Receivable	19.34	179.25
RoDTep Income Receivables	0.00	11.80
Excise Receivable	-	1.96
GST Receivable	663.91	807.90
Advance Tax - 2023-24	500.00	-
TDS Receivable - 203-24	13.14	-
Other Current Assets		
Prepaid Expense	7.81	15.25
Total	1,204.19	1,032.39

Note: 17 Revenue From Operations

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	(Amount in `)	(Amount in `)
Revenue from Operations		
Sale of Product	12,052.60	10,226.62
Other Operating Revenues*	80.13	178.91
Total	12,132.73	10,405.53
* Other Operating Revenue includes export incentives and exchange Gains.		

Break up of Sale of Products	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	(Amount in `)	(Amount in `)
i) Sales Geographical region wise:		
Domestic Sales	7,404.21	6,762.60
Export Sales	4,648.39	3,464.02
Total	12,052.60	10,226.62
ii) Sales Category Wise:		
Manufactured Goods	9,135.97	-
Traded Goods	2,916.63	-
Total	12,052.60	-

Note: 18 Other Income

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023

	(Amount in `)	(Amount in `)
Commission Income	-	86.30
Foreing Exchange Fluctuation	68.62	3.62
Freight Income	-	0.11
Interest on Fixed Deposit	63.94	0.16
Interest on income Tax Refund	0.70	-
Kasar Vatav	-	0.60
Profit on Sale of Asset	-	3.39
Sundry Balance W/off	-	1.47
Total	133.25	95.66

Note: 19 Cost of Materials Consumed

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	(Amount in `)	(Amount in `)
Opening Stock	1,337.82	601.56
Add: Purchase of Raw Material	5,066.80	8,184.23
	6,404.63	8,785.78
Closing Stock	2,138.68	1,337.82
Total	4,265.94	7,447.96

Break up of Raw Material	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	(Amount in `)	(Amount in `)
Indegineous	4,486.76	7,933.23
Imported	580.05	251.00
Total	5,066.80	8,184.23

Note: 20 Purchases of Stock-in-Trade

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	(Amount in `)	(Amount in `)
Purchase of Stock-in-Trade	4,236.09	-
Total	4,236.09	-

Note: 21 Changes in Inventories of Finished Goods & WIP

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	(Amount in `)	(Amount in `)
<u>Finished Goods</u>		
Opening Stock of Finished Goods	740.53	421.59
Less: Closing Stock of Finished Goods	(426.43)	(740.53)
Total (A)	314.10	(318.93)
<u>Work in Progress</u>		
Opening Stock	147.21	243.21
Less: Closing Stock	(590.85)	(147.21)
Total (B)	(443.64)	96.00
Total (A+B)	(129.54)	(222.93)

Note: 22 Employee Benefit Expenses

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	(Amount in `)	(Amount in `)
Director's Remuneration	294.33	180.00
Salary, Wages and Incentives	278.13	327.30
Staff Welfare Expenses	6.72	4.75
Contribution to Gratuity Fund	1.60	2.72

Contribution to Providend Fund	3.14	-
Total	583.92	514.76

Note: 23 **Finance Cost**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	(Amount in `)	(Amount in `)
Bank Charges and Commission	9.03	5.83
Bank Interest	90.70	112.39
Total	99.73	118.22

Note: 24 **Other Expenses**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	(Amount in `)	(Amount in `)
<u>Direct Expenses</u>		
Agency Charges	3.90	0.82
Custom Duty Expense	46.52	22.14
Clearing & Forwarding Expense	51.42	28.30
Effluent Spry Drying Charges	172.70	132.37
Electricity Expense	34.48	16.94
Fire Wood Expenses	24.15	19.76
Job Work Charges	321.88	481.01
Laboratory Expense	18.00	17.26
Labour Contract Charges	17.19	19.06
Stores and Spares	25.86	53.92
Transportation Expenses	36.18	36.49
Total (A)	752.29	828.08
<u>Indirect Expenses</u>		
Auditor's Remuneration	4.50	2.55
Donation	0.08	-
Electricity Expenses-Office	4.05	3.31
Interest on Statutory Dues	0.10	0.55
Insurance Expense	14.69	135.63
Legal & Professional Expense	36.53	47.57
License Fees	0.10	0.15
Membership Fees	3.79	5.49
Office Expense	11.35	9.96
Petrol Expenses	13.63	7.41
Postage and Telephone Expense	2.26	2.11
CSR Expensess	17.32	12.16
Quality Difference	-	0.59
Rates and Taxes	9.96	4.41
Rent	8.55	7.95
Repairs & Maintenance		
- Factory Shed Repairing	8.47	24.70
- Machinery Repairing	9.41	1.84
- Other	4.34	11.28
Research & Development Expense	3.31	3.56
Stationary and Printing Expense	3.02	1.30
Transportation Export Expense	33.06	37.17
Travelling Expense		
- Domestic	15.44	9.31
- Foreign	8.39	-
Sundry Writem Off	39.18	-
Dumping charges for ETF Sludge	0.53	-
Web Design Expenses	0.45	-
Total (B)	252.51	329.02
<u>Selling & Distribution Expense</u>		
Advertisement Expenses	1.53	4.06
Commission Expenses	129.14	17.42
Courier Expenses	5.05	4.71

Packing Expenses	30.96	19.68
Exhibition Expenses	4.44	-
Data collection Charges	6.18	0.91
Transportation Expense	13.42	-
Total (C)	190.72	46.78
Total (A+B+C)	1,195.52	1,203.87

Additional Disclosure as stated in additional note 24 (g) forming part of the financial statements

(Amt in Lakhs)

Ratio	Formulas	2023-24	Ratio	2022-23	Ratio	Variance	Reason
Current Ratio	Current Assets	9,396.28	5.19	6,109.31	1.81	187%	Due to major amount of reduction in current liability and increase in current asset.
	Current Liability	1,810.02		3,378.63			
Debt Equity Ratio	Total Debt#1	868.73	0.10	2,539.40	1.14	-91%	On account of IPO proceed shareholder equity increase and from that balance company has repaid some loan balances.
	Shareholders Equity#2	8,347.93		2,227.45			
Debt Service Coverage Ratio	Earnings available for Debt service#3	2,115.65	4.71	1,560.25	9.69	-51%	Increase in amount of earning available and early repayment of loan liability.
	Debt Service#4	449.16		161.00			
Return on Equity (ROE)	Net Profits after taxes	1,431.08	0.27	985.71	0.57	-52%	Due to IPO proceeds shareholders equity balance increases.
	Average Shareholder's Equity	5,287.69		1,734.60			
Inventory Turnover Ratio	Revenue from Sale of Products #5	12,052.60	4.48	10,226.62	5.86	-24%	NA
	Average Inventory	2,690.76		1,746			
Trade Receivables Turnover Ratio	Revenue from Sale of Products #5	12,052.60	4.58	10,226.62	4.20	9%	NA
	Average Trade Receivable	2,630.71		2,433.84			
Trade Payables Turnover Ratio	Purchases of goods and other expenses	9,302.89	5.69	8,184.23	3.77	51%	Amount of trade payable is repaid from the IPO proceeds.
	Average Trade Payables#6	1,634.61		2,171.87			
Net Capital Turnover Ratio (Net Working Capital Turnover Ratio)	Revenue from Sale of Products#5	12,052.60	2.34	10,226.62	4.68	-50%	Due to increase in working capital as well as revenue from operation as compare to previous year.
	Average Working Capital	5,158.48		2,186.59			
Net Profit Ratio	Net Profit	1,431.08	11.87%	985.71	9.64%	23%	Net profit ratio increase on account of increase in revenue from operation.
	Revenue from Sale of Products #5	12,052.60		10,226.62			
Return on Capital Employed (ROCE)	Earning before interest and taxes	2,014.32	21.84%	1,468.92	39.69%	-45%	Capital employed balance increase due to amount of security premium.
	Capital Employed #7	9,224.85		3,700.84			
Return on Investment(ROI)							
Quoted	Net Gain on Investment #8	-	-	-	-	-	
	Average cost of Investment	-		-			

#1 Total Debt represents all liabilities

#2 Shareholder's equity represents equity share capital + free reserves

#3 Earnings available for Debt service represents Profit Before Tax + Finance Cost + Non-cash Expenditure.

#4 Debt Service represents Interest + Principal Repayment

#5 Revenue from sale of products represents net sales.

#6 In absence of opening trade payable, only closing trade payables are taken for calculation purpose.

#7 Capital Employed represents Equity and Non current liabilities (excluding provisions)

#8 Net gain on Investment represents Realized and unrealized gain during the year

Note: 25 Additional Information**(A) Disclosures as per Accounting Standard 15 - Employee Benefits****a. Gratuity**

Details of the company's post-retirement gratuity plans for its employees including whole-time directors are given below, which is certified by the actuary and relied upon by the auditors.

(i) Valuation Method : Projected unit credit Method

(ii) Summary of principal actuarial assumptions

Particulars	As at 31st March, 2024	As at 31st March, 2023
Mortality Rate	1.92%	1.92%
Discount rate (p.a)	7.20% p.a.	7.35% p.a.
Expected Salary Escalation Rate (p.a)	7% p.a.	7%p.a.
Employee Attrition Rate (Past Services(PS))	15.40%	15.40%

(iii) Table showing defined contribution plan valuation for the year

Particulars	As at 31st March, 2024	As at 31st March, 2023
Present Value Of Past Service Benefit	18.73	16.01
Current Service Cost	1.60	2.72
Total Service Gratuity		
Accrued Gratuity		
LCSA		
LC Premium		

(iv) Recommended Contribution

Particulars	As at 31st March, 2024	As at 31st March, 2023
Fund Value as on renewal date		
Additional Contribution		
Current Service Cost	1.60	2.72

(v) Total Amount Payable in Balance Sheet

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total Amount Payable in Balance Sheet	20.33	18.73

b. Compensated Absences

As per the policy followed by the company, amounts payable towards compensated absences are paid to the employees on calendar year basis and no leaves are carried forward. For the amount due upto the March 31, 2023 has been provided for in the books of accounts.

(B) Payments to the Auditor as :-

Payments to the Auditor as	As at 31st March, 2024	As at 31st March, 2023
	(Amount in Lakhs)	(Amount in Lakhs)
- For Audit Fees	4.00	1.75
- For Other Services	0.50	0.80
Total	4.50	2.55

(C) Related Party Disclosures :-

As per Accounting Standard (AS)18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the list of Related Parties as defined in the Accounting Standards are given below:

List of Related parties and relationships:**Key Managerial Personnel :-**

- Vallabhbai Ratnaji Savaliya	: Whole-time Director
- Kishor Panchabhai Patolia	: Whole-time Director
- Pravinchandra Jasmat Vasolia	: Managing Director
- Rutesh V Savaliya	: Director
- Shivam K. Patolia	: Director
- Jasmin J Patel	: Director
- Insiya Nalawala	: Director
- Kishan D Tilva	: Director
- Nikita K Muliya	: Chief Financial Officer

Relative of KMP :-

- Nitaben Vasolia

- Priyadarshana Patolia
- Bansari K Vasolia
- Hemanshi P Vasolia

Enterprises over which Key Managerial personnel and/or their relatives are able to exercise significant influence:

1. Papillion Impex Private Limited
2. Hindpragon Polyresins Pvt. Ltd.
3. Chemtech Dyes and Intermediates
4. Shree Rasayan Enterprise

Transactions with Related Parties

Sr. No.	Particulars	Nature of Transactions	2023-24	2022-23
1	Vallabhbhai Ratnaji Savaliya	Directors Remuneration	87.84	60.00
2	Kishor Panchabhai Patolia		87.84	60.00
3	Pravinchandra Jasmat Vasolia		87.84	60.00
4	Rutesh V Savaliya		24.00	-
5	Shivam K Patolia		7.50	-
6	Jasmin J Patel		0.40	-
7	Insiya Nalawala		0.40	-
8	Kishan D Tilva		0.40	-
9	Nikita K Muliya		11.05	-
10	Nitaben Vasolia		-	36.00
11	Priyadarshana Patolia	Salary	-	36.00
12	Chemtech Dyes and Intermediates	Job Work Expenses	6.38	151.66
		Purchases	3,163.69	691.66
		Sales	2,451.23	563.54
13	Hindparagon Polyresins Pvt.Ltd.	Purchases	231.36	-
		Sales	-	0.51
14	Shree Rasayan Enterprise	Purchases	73.55	552.77
		sales	-	1,288.43
		Job Work Expenses	312.74	280.76

Related Party Unsecured Loan Transaction during the Financial Year

Particulars	Relation	As at	As at	
		31st March, 2023	31st March, 2023	
		(Amount in Lakhs)	(Amount in Lakhs)	
1 Vallabhbhai Ratnaji Savaliya Loan Outstanding at Beginning of the Year Loan Accepted During the year Loan Repaid During the year Loan Outstanding at the end of the Year	Director			
		327.10	277.10	
		112.86	50.00	
		196.00	-	
243.97		327.10		
2 Kishor Panchabhai Patolia Loan Outstanding at Beginning of the Year Loan Accepted During the year Loan Repaid During the year Loan Outstanding at the end of the Year				
		367.87	367.87	
		99.50	-	
		208.18	-	
259.19		367.87		
3 Pravinchandra Jasmal Vasolia Loan Outstanding at Beginning of the Year Loan Accepted During the year Loan Repaid During the year Loan Outstanding at the end of the Year				
		-	-	
	348.29	279.40		
	175.00	75.00		
269.00	-			
254.29	348.29			
4 Nitaben Vasolia Loan Outstanding at Beginning of the Year Loan Accepted During the year Loan Repaid During the year Loan Outstanding at the end of the Year				
	-	-		
	7.70	7.70		
	-	-		
-	-			
7.70	7.70			
5 Priyadarshana Patolia Loan Outstanding at Beginning of the Year Loan Accepted During the year Loan Repaid During the year Loan Outstanding at the end of the Year				
	-	-		
	9.32	9.32		
	-	-		
-	-			
9.32	9.32			
6 Bansari K Vasolia Loan Outstanding at Beginning of the Year Loan Accepted During the year Loan Repaid During the year Loan Outstanding at the end of the Year				
	-	-		
	1.68	1.68		
	-	-		
-	-			
1.68	1.68			
7 Hemanshi P Vasolia Loan Outstanding at Beginning of the Year Loan Accepted During the year Loan Repaid During the year Loan Outstanding at the end of the Year				
	-	-		
	1.68	1.68		
	-	-		
-	-			
1.68	1.68			
8 Papillion Impex Private Limited Loan Outstanding at Beginning of the Year Loan Accepted During the year Loan Repaid During the year Loan Outstanding at the end of the Year				
	-	-		
	-	2.00		
	-	-		
-	2.00			
-	-			

(D) Deferred Tax Liability/(Assets) (Net)

Particulars	As at	As at
	31st March, 2024	31st March, 2023
	(Amount in Lakhs)	(Amount in Lakhs)
Opening Balance	31.27	23.46
Timing Difference during the Year	4.49	7.81
Closing Balance	35.76	31.27

(E) Corporate Social Responsibility (CSR) :-

Particulars	As at	As at
	31st March, 2024	31st March, 2023
	(Amount in Lakhs)	(Amount in Lakhs)
(a) Gross Amount required to be spent by the Company	17.32	12.16
(b) Amount approved by the Board to be spent during the year	17.32	12.16
(c) Amount Spent during the year on :		
(i) Construction / acquisition of any asset		-
(ii) On purposes other than (i) above	17.33	6.05
Excess/(Short) Amount Spent on CSR	0.00	(6.11)
(d) Related Party Transactions in relation to Corporate Social Responsibility	-	-

(e) Disclosure of unspent amount	As at	As at
	31st March, 2024	31st March, 2023
	(Amount in Lakhs)	(Amount in Lakhs)
Opening Balance	10.93	6.02
Amount deposited in Specified Fund of Sch. VII*	10.93	7.25
Amount required to be spent during the year	17.32	12.16
Amount spent during the year	17.32	-
Closing Balance	(0.00)	10.93

* During Current Financial year, company has deposited CSR Amount Rs.7.25/- Lakh on 25/01/2023.

(F) Earning Per Share :-

Earning per share is calculated on the basis of Accounting Standard (AS)-20 "Earning Per Share" Issued by the institute of Chartered Accountants of India.

Number of shares used as denominator for calculating basic EPS as on balance sheet date. The amount used as numerator for calculating Basic EPS is profit after taxation. Earning per Share for the Year is as under:-

Particulars	As at	As at
	31st March, 2024	31st March, 2023
	(Amount in Lakhs)	(Amount in Lakhs)
Profit attributable to Equity Share Holders	1,431.08	985.71
Number of Equity Share for Basic EPS (In Lakhs)	165.23	36.00
Basic & Diluted Earnings per share(In Rs.)	8.66	27.38
Adjusted Basic & Diluted Earnings per share(In Rs.)	-	6.85
Face Value of Equity Shares (In Rs.)	10	10

(G) Additional information as required under the Companies (Amendments) Act, 2013 - Disclosure of Financial Ratios.

Particulars		As at	As at
		31st March, 2024	31st March, 2023
a)	Current Ratio	5.19	1.81
b)	Debt-Equity Ratio	0.10	1.13
c)	Debt-Service Coverage Ratio	4.71	9.68
d)	Return on Equity Ratio	0.27	0.57
e)	Inventory Turnover Ratio	4.48	5.86
f)	Trade Receivables Turnover Ratio	4.58	4.20
g)	Trade Payables Turnover Ratio	5.69	3.77
h)	Net Capital Turnover Ratio	2.34	4.68
i)	Net Profit Ratio	11.87%	9.64%
j)	Return on Capital Employed	21.84%	39.69%
k)	Return on Investment	-	-

*For detailed working refer additional note attached with the financial statement forming part of additional information.

(H) Balances of Trade Payables and Receivables to/from various parties/authorities, and Loans & advances are subject to confirmation from the respective parties, and necessary adjustments if any, will be made on its reconciliation.

(I) In the Opinion of the Board of Directors the aggregate value of current assets, loans and advances on realization in ordinary course of business will not be less than the amount at which these are stated in the Balance Sheet.

(J) Significant Events Occurring After the Balance Sheet Date

There is no significant subsequent event that would require adjustments or disclosure in the financial statements as on the balance sheet date.

(K) As the Company's business activities fall within single primary business segment and in the opinion of the management there does not exist separate reportable geographical segment, the disclosure requirements of Accounting Standard 17 - "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.

(L) The company does not have any pending litigation on its financial position in its financial statements.

(M) Previous year's figures have been re-arranged and re-grouped, wherever necessary to make them comparable with those of current year.

(N) Additional Regulatory Disclosures As Per Schedule III Of Companies Act, 2013.

Additional Regulatory Information required for preparation of Balance Sheet as given in Companies Act, 2013.

a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b) The Company has Fund-based and Non-fund-based limits of Working Capital from Banks and Financial institutions. For the said facility, the submissions made by the Company to its lead bankers based on closure of books of accounts at the year end, the quarterly returns or statements comprising stock statements, statement of trade receivables and trade payables and ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are generally in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

c) The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.

d) The Company has not entered the transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Company Act, 1956.

e) There is no Indian Subsidiary Companies, hence disclosure as prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017 is not applicable.

f) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities(intermediaries), with the understanding that the intermediary shall;

(i) 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

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

g) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

(i) 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

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

h) The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

i) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

j) There is no Contingent Liabilities & Commitment as on 31.03.2024

k) No such assets held by the company for which Title deeds of Immovable Properties not held in name of the Company.

l) There is no Loans or advances granted to the Promoters, directors, KMP and the relative of their during the period.

m) Company has register all it's charges within time or extended time period given in the companies act, 2013.

(O) Expenditure incurred in Foreign Currency

Particulars	As at	As at
	31st March, 2024	31st March, 2023
	(Amount in Lakhs)	(Amount in Lakhs)
Consultancy Expense	1.46	-

(P) Issue of Shares

i) Issue of Equity shares through IPO:

The Company has completed Initial Public Offer of 51,66,000 Equity Shares of the face value of Rs.10 each at an issue price of Rs.100 per Equity Share, comprising fresh issue of 51,66,000 shares aggregating to Rs. 516.60 Million. The Equity Shares of the Company were listed on 03rd November, 2023 on SME Platform of NSE Limited.

ii) IPO Expenses:

The total IPO Expenses incurred Rs.476.59 Lakhs has been adjusted against securities premium account.

iii) Utilisation of proceeds from IPO:

The details of utilization of proceeds from IPO (net of Offer Expenses) are as follows:

Particulars	Total Amount	Utilized upto 31st March, 2024	Un-utilized upto 31st March, 2024
Funding capital expenditure towards civil construction work in the existing premises of factory	100.06	14.30	85.76
Repayment in full or in part, of certain of our outstanding borrowings	1,290.00	1,270.48	19.52
Funding Capital Expenditure towards installation of additional plant and machinery for Expansion	787.42	152.51	634.91
Funding to meet working capital requirements	1,300.00	1,300.00	-
General Corporate Purpose.	1,220.90	632.17	588.73
Issue related expenses in relation to Issue	467.62	467.62	-
	5,166.00	3,837.08	1,328.92

For, PARAGON FINE AND SPECIALITY CHEMICAL LIMITED

As per our report of even date,
For, Surana Maloo & Co.
(Chartered Accountants)
Firm Registration No.: 112171W

Pravinchandra Vasolia
Managing Director
DIN : 02896534

Vallabhbhai Savaliya
Whole-time Director
DIN : 00155542

Nikita Muliya
Chief Financial Officer

Sonalkumari Yadav
Company Secretary
ACS - A60881

per, Vidhan Surana
(Partner)
Membership No:041841
UDIN :-24041841BKAKYY7134

Place: Ahmedabad
Date: 29th May ,2024

Place: Ahmedabad
Date: 29th May ,2024

Paragon Fine and Speciality Chemical Private Limited

Note 6.1 : Ageing Analysis of Trade Payables as required under Schedule III of Companies Act, 2013 (Amended)

(Amount in Lakhs)

<u>Particulars</u>	As at 31 st March,2024				
	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	
(i) MSME	150.26		-	-	150.26
(ii) Others	1,109.18		-	-	1,109.18
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	1,259.44	-	-	-	1,259.44

(Amount in Lakhs)

<u>Particulars</u>	As at 31 st March,2023				
	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	
(i) MSME	114.68	-	-	-	114.68
(ii) Others	1,888.30	6.80	-	-	1,895.10
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	2,002.98	6.80	-	-	2,009.78

Paragon Fine and Speciality Chemical Private Limited

Note 13.1 : Ageing Analysis of Trade Receivables as required under Schedule III of Companies Act, 2013 (Amended)

(Amount in Lakhs)

Particulars	As at 31 st March,2024						
	Outstanding for following periods from due date of payment						
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Unbilled	Total
(i)Undisputed Trade receivables – Considered Good	2,507.31	-	43.12	-	-	-	2,550.43
(ii)Undisputed Trade receivables – Considered Doubtful	-	-	-	-	-	-	-
(iii)Disputed Trade Receivables – Considered Good	-	-	-	-	-	-	-
(iv)Disputed Trade Receivables – Considered Doubtful	-	-	-	-	-	-	-
Total	2,507.31	-	43.12	-	-	-	2,550.43

Particulars	As at 31 st March,2023						
	Outstanding for following periods from due date of payment						
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Unbilled	Total
(i)Undisputed Trade receivables – Considered Good	2,668.84	-	2.22	39.92	-	-	2,710.98
(ii)Undisputed Trade receivables – Considered Doubtful	-	-	-	-	-	-	-
(iii)Disputed Trade Receivables – Considered Good	-	-	-	-	-	-	-
(iv)Disputed Trade Receivables – Considered Doubtful	-	-	-	-	-	-	-
Total	2,668.84	-	2.22	39.92	-	-	2,710.98

PARAGON FINE AND SPECIALITY CHEMICAL LIMITED

Note: 9

Property, Plant and Equipment and Intangible assets

(Amount in Lakhs)

i) FY 2023-24

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at 1 April 2023	Additions During the Year	Deletions/Disposals During the Year	Balance as at 31 March 2024	Balance as at 1 April 2023	Depreciation charge for the year	On Deletion/ Disposals	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31st March 2023
Property, Plant & Equipments										
Plot	13,542,500.00	7,374,100.00	-	20,916,600.00	-	-	-	-	20,916,600.00	13,542,500.00
Factory Building	12,116,963.00	885,377.38	-	13,002,340.38	4,036,444	349,257	-	4,385,700.72	8,616,639.66	8,080,519.43
Computer & Pheripherals	858,835.00	246,780.58	-	1,105,615.58	733,579	73,395	-	806,973.69	298,641.89	125,256.20
Furniture & Fixtures	4,573,280.77	95,762.76	-	4,669,043.53	1,014,175	308,917	-	1,323,092.33	3,345,951.20	3,559,105.93
Plant & Machinery	112,846,192.78	15,346,842.97	-	128,193,035.75	44,375,795	8,338,841	-	52,714,635.60	75,478,400.15	68,470,397.73
Total (A)	143,937,771.55	23,948,863.69	-	167,886,635.24	50,159,992	9,070,410	-	59,230,402.34	108,656,232.90	93,777,779.28
Previous Year	137,870,340.59	7,977,493.96	1,910,063.00	143,937,771.55	42,019,882.91	8,279,061.36	138,952.00	50,159,992.27	93,777,779.28	95,850,457.68

ii) FY 2022-23

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at 1 April 2022	Additions During the Year	Deletions/Disposals During the Year	Balance as at 31 March 2023	Balance as at 1 April 2022	Depreciation charge for the year	On Deletion/ Disposals	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31st March 2022
Property, Plant & Equipments										
Plot	13,542,500.00	-	-	13,542,500.00	-	-	-	-	13,542,500.00	13,542,500.00
Factory Building	12,116,963.00	-	-	12,116,963.00	3,702,873	333,571	-	4,036,443.57	8,080,519.43	8,414,090.45
Computer & Pheripherals	763,835.00	95,000.00	-	858,835.00	698,989	34,590	-	733,578.80	125,256.20	64,845.93
Furniture & Fixtures	3,277,895.77	1,295,385.00	-	4,573,280.77	776,396	237,779	-	1,014,174.84	3,559,105.93	2,501,499.66
Plant & Machinery	108,169,146.82	6,587,108.96	1,910,063.00	112,846,192.78	36,841,625	7,673,122	138,952.00	44,375,795.05	68,470,397.73	71,327,521.64
Total (A)	137,870,340.59	7,977,493.96	1,910,063.00	143,937,771.55	42,019,883	8,279,061	138,952.00	50,159,992.27	93,777,779.28	95,850,457.68
Previous Year	108,045,884.84	40,253,920.80	10,429,465.05	137,870,340.59	42,564,990.44	6,999,232.52	7,544,340.05	42,019,882.91	95,850,457.68	65,480,894.40

(iii) Capital Work-in-progress

Particulars	31-Mar-24	31-Mar-23
Opening Balance	-	-
Add: Addition during the year	61.95	-
Less: Capitalised during the year	-	-
Closing Balance	61.95	-

Capital Work-in-Progress Aging Schedule

Capital Work-in-Progress	Amount in CWIP for a period of				31-Mar-24
	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	61.95				61.95
Projects temporarily suspended					-

Note A - Corporate Information

Paragon Fine and Speciality Chemical Limited (CIN:- U24304GJ2018PTC105071) (“the company”) is a Public Limited Company, domiciled in India and incorporated under the provisions of the Companies Act, 2013. The company is engaged in business of Manufacturing of Chemicals.

Note B - Basis of Preparation of Financial Statements

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention, except otherwise specified.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained.

B.1 Summary of significant accounting policies

a) Presentation and disclosure of financial statements:

The financial statement has been prepared under the provisions of the Companies Act 2013. The adoption of Schedule-III of the Companies Act 2013 and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Use of estimates:

The preparation of financial statements in conformity with Accounting Standards requires the management to make judgments, estimates and assumptions that affect the reported amounts, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Difference between the actual result and estimates are recognized in the period in which the are known / materialized.

c) Property, Plant & Equipments (Tangible Fixed Assets and Depreciation):

- Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- Assets which are not ready for their intended use are disclosed under Capital Work-in-Progress and all the cost relating to such assets are shown under work-in-progress.
- Identification of the components of Property, Plant & Equipments as required under revised AS 10 is under process.

Depreciation:

- Depreciation on tangible fixed assets is provided on the straight - Line Method over the useful lives of assets as prescribed in the schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.
- Depreciation and Amortization methods, useful lives and residual values are reviewed periodically, at each financial year end.
- Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II.

d) Impairment of tangible and intangible assets:

An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

e) Investments:

Current Investments are carried at lower of cost or fair value. Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

f) Inventories :-

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any, except in case of by-products which are valued at net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

g) Revenue recognition:

- Revenue is recognized only when all the significant risks and rewards incident to ownership to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes Sales of Goods net of Goods and Services Tax, adjusted for discounts (net) and gain / Loss on corresponding hedged contracts.
- Revenue / Loss from bargain settlement of goods is recognized at the time of settlement of transactions.
- Dividend income is recognized when the right to receive payment is established.
- Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- All other income and Expenditure are recognized and accounted for on accrual basis.

h) Borrowing Costs:-

Borrowing costs that are attributable to the acquisition, construction or production of a qualification assets are capitalized as a part of the cost of such assets. All others borrowing cost are charged to revenue.

i) Income taxes:

- Tax expense comprises of current and deferred taxes. Current Income Tax is measured at the amount expected to be paid to the tax authorities using the applicable tax rates.
- Deferred income taxes reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.
- Provision for Current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961. Tax expense comprises of current and deferred taxes.

j) Contingent Liabilities & Contingent Assets:

- A provision is recognized when the company has a present obligation as a result of past event(s), and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- Contingent liabilities are disclosed in the financial statement unless the possibility of outflow is remote.
- Contingent Liabilities are not provided for and are disclosed by way of notes.
- Contingent Assets are neither recognized nor disclosed in the financial statements.



PARAGON FINE AND SPECIALITY CHEMICAL LIMITED
REG. OFFICE : 1001/1, PARSHWA TOWER, NR PAKVAN HOTEL, S.G. HIGHWAY,
BODAKDEV, AHMEDABAD, GUJARAT, INDIA, 380054
CIN: U24304GJ2018PLC105071 || Website: www.paragonind.com
Phone: +91 7935335483 || Email: cs@paragonind.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (“AGM”) for Financial Year 2023-24 of the members of Paragon Fine and Speciality Chemical Limited (“Paragon” or “the Company”), will be held on Saturday, 28th September, 2024 at 12:00 Noon, at the registered office of the company situated at 1001/1, Parshwa Tower, Nr Pakvan Hotel, S. G. Highway, Bodakdev, Ahmedabad, Gujarat, India, 380054 IN to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1 - To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial year ended on March 31, 2024 and the Report of the Board of Directors and Auditors thereon.

Item No. 2 - To Appoint a director in place of Mr. Vallabh Ratanji Savaliya (DIN: 00155542) who retires by rotation and, being eligible, offers himself for re-appointment.

Item No. 3 - To Appoint a director in place of Mr. Soumitra Sachipati Banerjee (DIN: 02796216) who retires by rotation and, being eligible, offers himself for re-appointment.

Item No. 4 - To re-appoint M/s Surana Maloo & Co, Chartered Accountants (FRN:112171W) as the Statutory Auditor of the Company and to authorize Board of Directors to fix their remuneration and in this regard, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Surana Maloo & Co., Chartered Accountants (Firm’s Registration No. 112171W) be and are hereby re-appointed as the Statutory Auditors of the Company for a further term of 5 (Five) consecutive years to hold office from the conclusion of this 6th Annual General Meeting until the conclusion of the 11th Annual General Meeting of the Company, at such remuneration (exclusive of applicable taxes and reimbursement of out of pocket expenses) as shall be fixed by the Board of Directors of the Company from time to time in consultation with them.”

SPECIAL BUSINESS:

Item No. 5 - Ratification of the remuneration of the Cost Auditor for financial year 2024-25 and in this regard, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration as approved by the Board of Directors and set out in the Explanatory Statement annexed to this Notice, payable to M/s. Divyesh Vagadiya & Associates, Cost Accountants, appointed as the Cost Auditor of the Company to conduct the audit of cost records maintained by the Company for the financial year 2024-25, be and is hereby ratified.”

**BY THE ORDER OF THE BOARD OF DIRECTORS
FOR PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**

Sd/-

**Date- September 5, 2024
Place- Ahmedabad**

**Sonalkumari Yadav
Company Secretary**

NOTES:

1. The Explanatory Statement as required under Section 102 of the Companies Act, 2013, is annexed herewith and forms part of the Notice.
2. A Member entitled to attend and vote at the annual general meeting (the “meeting” / “AGM”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the company. The instrument appointing the proxy, in order to be effective, must be deposited at the company’s registered office, duly completed and signed, not less than 48 (forty-eight) hours before the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their dully filled attendance slip at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours (10.00 a.m. to 05.00 p.m.) up to the date of the Meeting.
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and the Company’s Registrars and Transfer Agents, Bigshare Services Private Limited (RTA), to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company or its Registrars & Transfer Agents (RTA), Bigshare Services Private Limited.
8. Non-Resident Indian Members are requested to inform RTA immediately of: a. Change in their residential status on return to India for permanent settlement. b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
9. To support the ‘Green Initiative’ members who have not registered their e-mail addresses so far are requested to register their e-mail address with RTA /Depository Participants for receiving all communication including annual report, notices, circulars, etc. from the company electronically.
10. Members desirous of obtaining any information of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Annual General Meeting so that the information required may be made available at the AGM.
11. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 21st September, 2024, only shall be entitled to avail facility of voting at the venue of meeting. A person who is not a member as on the cut off date should treat this notice for information only.

12. Any person, who acquires shares of the company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote as provided in the Notice conveying the Meeting, which is available on the website of the Company.
13. The board of directors has appointed Krushang Shah, Company Secretary, to act as Scrutinizer for annual general meeting.
14. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the meeting shall be announced by the Chairman or any other person authorized by him immediately after the results are declared. The results declared along with the Scrutinizer's report, will be posted on the website of the Company www.paragonind.com and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the results by the Chairman or any other person authorized by him and communicated to the Stock Exchanges.
15. In compliance with the provisions of section 108 of the Act and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

The remote e-voting period begins on Wednesday, September 25, 2024 at 09:00 A.M. and ends on Friday, September 27, 2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday, September 21, 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.

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

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




Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	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

	<p>NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, the 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</p> <ol style="list-style-type: none"> 2. 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. 3. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div data-bbox="646 1163 1117 1451" style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </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 use 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

	<p>be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. 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.</p> <p>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.</p> <p>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.</p>
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.

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.co.in or call at 022 - 4886 7000 and 022 - 2499 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 22 55 33

B) Login Method for e-Voting 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.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
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 gkshahassociates@gmail.com with a copy marked to evoting@nsdl.co.in. 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 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in

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 cs@paragonind.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 cs@paragonind.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”), given hereunder sets out all material facts relating to the special businesses mentioned at the said Item of the accompanying Notice.

Item No. 4

The shareholders of the Company, at the 1st AGM, had appointed M/s. Surana Maloo & Co., Chartered Accountants (Firm’s Registration No. 112171W) as the Statutory Auditors of the Company for a term of 5 (five) consecutive years to hold office until the conclusion of the 6th AGM of the Company at such remuneration (exclusive of applicable taxes and reimbursement of out of pocket expenses) as fixed by the Board of Directors of the Company in consultation with them.

Under the provisions of Section 139(2) of the Act, the Company is permitted to appoint the aforementioned Statutory Auditors for one more term of 5 (five) years. The Audit Committee and the Board of Directors at their respective meetings held on May 29, 2024, have recommended the appointment of M/s. Surana Maloo & Co., Chartered Accountants for a second term of 5 (five) years from the conclusion of this 6th AGM upto the conclusion of 11th AGM of the Company, at such remuneration as may be fixed by the Board of Directors in consultation with them.

M/s. Surana Maloo & Co., Chartered Accountants have consented to act as Statutory Auditors and have confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also confirmed, that they are not disqualified to be appointed as Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board recommends the Resolution as set out at item no. 4 of the Notice for approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the resolution as set out in Item no. 4 of this Notice.

Item No. 5

In accordance with the provisions of section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the Company pertaining to the applicable products manufactured by the Company. On the recommendation of the Audit Committee, the Board of Directors has approved the reappointment of M/s. Divyesh Vagadiya & Associates (FRN- 102628), Cost Accountants, as the Cost Auditors to conduct audit of cost records of the Company for the financial year 2024-2025, at a remuneration of Rs. 50,000/-.

M/s. Divyesh Vagadiya & Associates, Cost Accountants have furnished a certificate regarding their eligibility for appointment as the Cost Auditors of the Company. As per the provisions of the Act read with the Rules, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

The Board recommends the Resolution as set out at item no. 5 of the Notice for approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the resolution as set out in Item no. 5 of this Notice.

**BY THE ORDER OF THE BOARD OF DIRECTORS
FOR PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**
Sd/-

**Date- September 5, 2024
Place- Ahmedabad**

**Sonalkumari Yadav
Company Secretary**



PARAGON FINE AND SPECIALITY CHEMICAL LIMITED
REG. OFFICE : 1001/1, PARSHWA TOWER, NR PAKVAN HOTEL, S.G. HIGHWAY,
BODAKDEV, AHMEDABAD, GUJARAT, INDIA, 380054
CIN: U24304GJ2018PLC105071 || Website: www.paragonind.com
Phone: +91 7935335483 || Email: cs@paragonind.com

ATTENDANCE SLIP

Date _____

Please fill Attendance Slip and hand it over at the entrance of the meeting venue.

Name	
Address	
DP ID*	
Client ID*	
Folio No.	
No. of shares held	

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the Annual General Meeting of the Company held on Saturday, 28th September, 2024 at 12:00 noon (IST), at the registered office of the company situated at 1001/1, Parshwa Tower, Nr Pakvan Hotel, S. G. Highway, Bodakdev, Ahmedabad, Gujarat, India, 380054.

* Applicable for investors holding shares in electronic form.

Signature of Shareholder / Proxy

**FORM OF PROXY
(Form MGT-11)**

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

CIN: U24304GJ2018PLC105071

Name of the Company: Paragon Fine and Speciality Chemical Limited

Registered office: 1001/1, Parshwa Tower, Nr Pakvan Hotel, S. G. Highway, Bodakdev, Ahmedabad, Gujarat, India, 380054

Name of the Member(s):	
Registered Address:	
E-mail ID:	
Folio No. / Client ID:	
DP ID:	

I/We, being the member(s) of _____ shares of the Company, hereby appoint:

1. Name: _____

Address: _____

Email ID: _____

Signature: _____ or failing him;

2. Name: _____

Address: _____

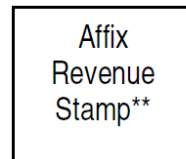
Email ID: _____

Signature: _____ or failing him.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Saturday, 28th September, 2024 at 12:00 noon (IST), at the registered office of the company situated at 1001/1, Parshwa Tower, Nr Pakvan Hotel, S. G. Highway, Bodakdev, Ahmedabad, Gujarat, India, 380054 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolutions	Optional*	
		For	Against
Ordinary Business:			
1	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial year ended on March 31, 2024 and the Report of the Board of Directors and Auditors thereon		
2	To Appoint a director in place of Mr. Vallabh Ratanji Savaliya (DIN: 00155542) who retires by rotation and, being eligible, offers himself for re-appointment.		
3	To Appoint a director in place of Mr. Soumitra Sachipati Banerjee (DIN:		

	02796216) who retires by rotation and, being eligible, offers himself for re-appointment.		
4	To re-appoint M/s Surana Maloo & Co, Chartered Accountants (FRN:112171W) as the Statutory Auditor of the Company and to authorize Board of Directors to fix their remuneration.		
Special Business:			
5	Ratification of the remuneration of the Cost Auditor for financial year 2024-25		



Signed this _____ day of September, 2024

Signature of shareholder _____

Signature of Proxy holder(s) _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

** Kindly cancel the Revenue Stamp after affixing the same.

ROAD MAP TO THE VENUE OF ANNUAL GENERAL MEETING

Venue of the AGM: 1001/1, Parshwa Tower, Nr Pakvan Hotel, S. G. Highway, Bodakdev, Ahmedabad, Gujarat, India, 380054

