

**35th ANNUAL REPORT
FOR THE YEAR ENDED
31st MARCH, 2019**



PAUL MERCHANTS LTD.[®]
(An ISO 9001:2015 Certified Co.) (CIN: L74900DL1984PLC018679)

www.paulmerchants.net

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CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mr. Sat Paul Bansal, Chairman Cum Managing Director
Mr. Rajneesh Bansal, Executive Director
Mr. Sandeep Bansal, Non-Executive Director
Mrs. Sarita Rani Bansal, Non-Executive Director
Mr. Dharam Pal Sharma, Whole Time Director
Mr. Vigyan Prakash Arora, Independent Director
Mr. Dilbag Singh Sidhu, Independent Director
Mr. Ajay Arora, Independent Director
Mr. Arjun Pandurang Ghugal, Independent Director
Mr. Uma Shankar Paliwal, Independent Director

REGISTERED OFFICE

DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji
Marg, Najafgarh Road, New Delhi -110015
TEL: 011-48702000
EMAIL: info@paulmerchants.net

CORPORATE OFFICE

SCO 829-830, Sector 22-A,
Chandigarh - 160 022
TEL: 0172-5041786, 5025090
FAX: 0172-5041713
EMAIL- info@paulmerchants.net
WEBSITE: www.paulmerchants.net

CIN: L74900DL1984PLC018679

WHOLLY OWNED SUBSIDIARIES

PML Realtors (P) Ltd
Paul Merchants Finance (P) Ltd

Stock Exchange – BSE Ltd

STATUTORY AUDITORS

M/S. Jain & Associates
Chartered Accountants
S.C.O. 178, Sector 5, Panchkula

INTERNAL AUDITOR

CA Rajesh Garg

SECRETARIAL AUDITOR

Mr. Anil Negi

CHIEF FINANCIAL OFFICER

Mrs. Bhupinder Kaur

COMPANY SECRETARY

Mr. Hardam Singh

PRINCIPAL BANKERS

HDFC Bank
State Bank Of India
ICICI Bank
Punjab National Bank
Axis Bank
Indusind Bank
Yes Bank
Oriental Bank Of Commerce

REGISTRAR & TRANSFER AGENT

Alankit Assignments Limited,
Corp. Office:- 1E/13, Jhandewalan
Extn. New Delhi- 110055 (INDIA) Ph
No. : 011-42541959

Regd. Office: 205-208 Anarkali
Complex Jhandewalan Extension
New Delhi- 110055

YEAR 2018-19 – AT A GLANCE

MONEY EXCHANGE ACTIVITIES (FOREX)

Gross Turnover – Rs. 4,848.38 Crores

TOURS & TRAVELS ACTIVITIES

Gross Turnover – Rs. 41.58 Crores

OVERALL PERFORMANCE

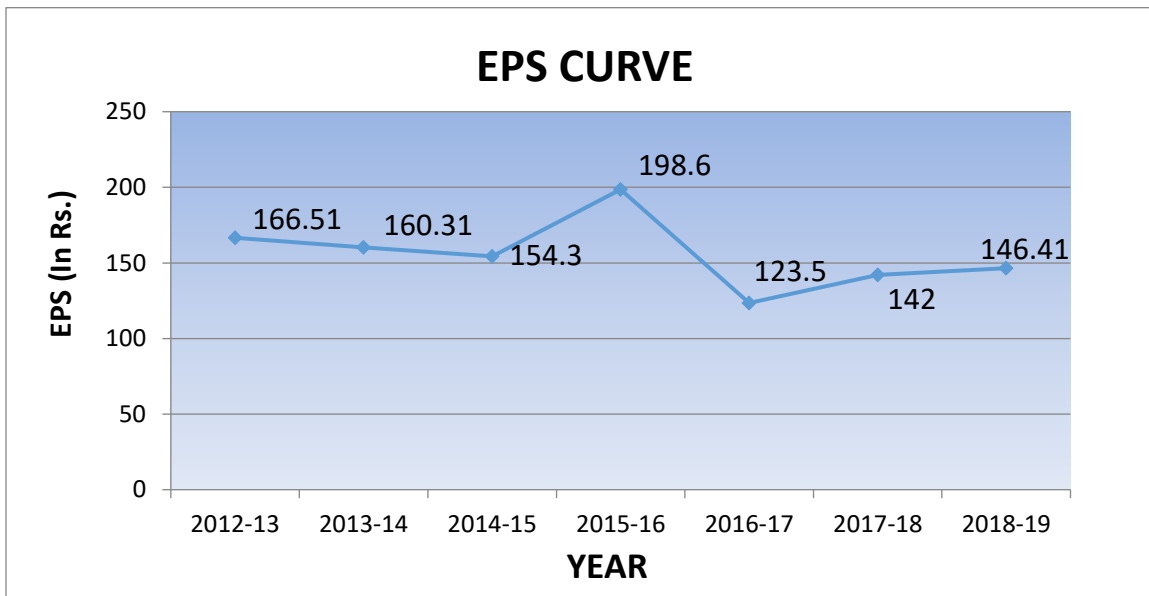
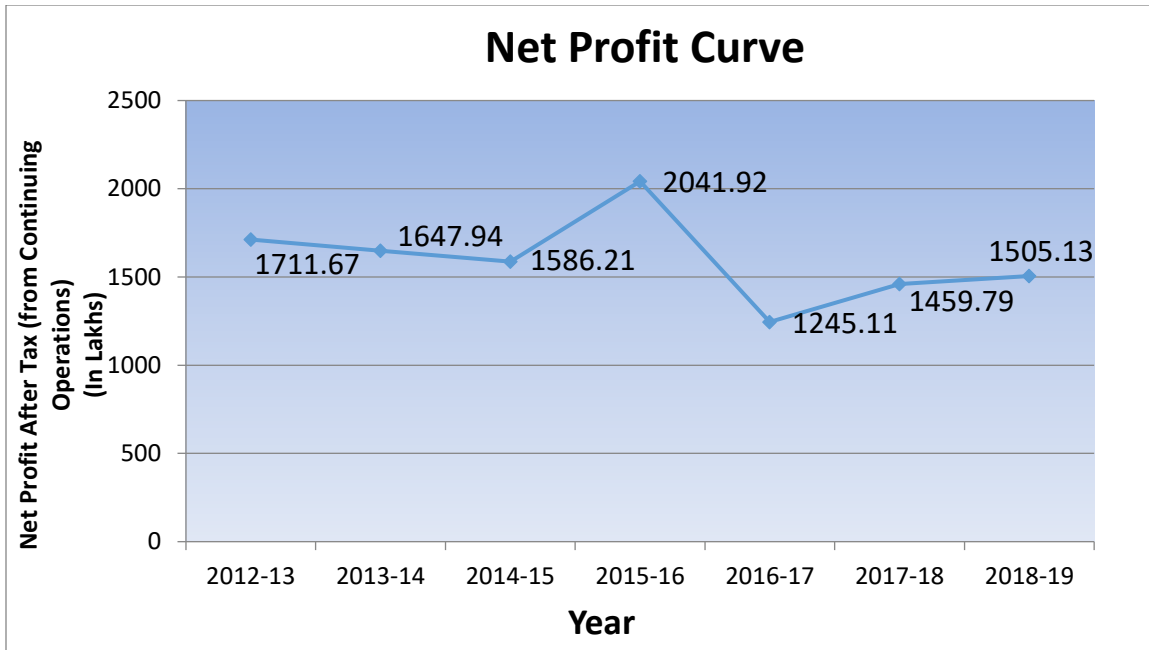
Gross Revenues – 4,898.96 Crores

PROFITABILITY

Net Profit Before Tax – Rs. 14.29 Crores (Continued Operations)

*Net Profit After Tax – Rs. 15.05 Crores (Continued Operations)**

- *After taking into account prior period tax and Deferred Tax*



LIST OF BRANCH OFFICES OF THE COMPANY

S No	Region	Branch Name	STATE	Address of the branch
1	WEST	AHMEDABAD	GUJARAT	Shop No. 5, Ground Floor ,Pramukh Palace, Jai Hind Cross Roads, Maninagar, Ahemdabad 380008
2	WEST	AHMEDABAD	GUJARAT	7, Krishna Tower, Opposite Sachin Tower, Anand Nagar, 100 Ft. Ring Road , Ahmedabad - 380014
3	WEST	AHEMDABAD	GUJARAT	Gf 1, Mansuri House, Opp Behra-Munga School, Ashram Road,Ahmedabad - 380009
4	NORTH	AJNALA	PUNJAB	Main Chowk, Amritsar Road, Ajnala ,Distt Amritsar
5	NORTH	AMBALA	HARYANA	6351/14, 1St Floor , Nicholson Road, Punjabi Mohalla, Ambala Cantt , Haryana - 133001
6	NORTH	BANGA	PUNJAB	Ground Floor, Opp Civil Hospital, Main Road , Banga 144505
7	NORTH	BATALA	PUNJAB	SCO 309, Phagwara Chowk, Jalandhar Road, Batala
8	SOUTH	BANGALORE	KARNATAKA	No. 70, 1St & 2Nd Floor , 27Th Cross ,9Th Main 4Th Block , Jaya Nagar, Banglore - 560011
9	NORTH	BAGGAPURANA	PUNJAB	Shop No. 41 G/F, Bus Stand Market, Kotkapura Road , Baghapurana Distt Moga
10	NORTH	BHAGSUNATH	HIMACHAL PARDESH	Hotel Meghawan Resort ; Vpo Bhagsunag , Tehsil Dharamshala , Distt. Kangra , Himachal Pradesh 176219
11	NORTH	BHATINDA	PUNJAB	The Mall ,Hanuman Chownk , Bathinda
12	NORTH	BIR	HIMACHAL PARDESH	Bir Tibetan Colony , Opposite Surya Classic Hotel , Village Chaugan , Teh Baijnath Distt. Kangra . Himachal Pradesh 176077
13	CENTRAL WEST	BHOPAL	MADHYA PRADESH	Shop No. G-15 , Deendayal Parisar, E-2 Area Colony , Bhopal , Madhya Pradesh
14	NORTH	BARNALA	PUNJAB	Sco B-Xi/207, K C Road, Barnala
15	NORTH	BATHINDA	PUNJAB	Ground Floor, Shap No 3039-A Sharma Complex, Power House Road , Opposite Trafic Police, Bathinda(Punjab)
16	SOUTH	CAMP ROAD	TAMILNADU	W-115/A (Basement), AI Complex, Third Avenue, Annanagar East Chennai , Chennai 600040
17	SOUTH	CHENNAI	TAMILNADU	No.1, 1St Floor , Arcot Road, Alwarthirunagar , Chennai 600087
18	NORTH	CHANDIGARH	CHANDIGARH UT	Sco No 829-830, Sector 22-A Chandigarh-160022
19	SOUTH	CHENNAI	TAMILNADU	No 205 , Velacherry Main Road, Near Camp Road Signal , Selaiyur Chennai 600073
20	SOUTH	COCHIN	KERALA	No.1 & 2, First Floor, Corp No. 35/1460 C , Penta Estate, Janatha Junction, Palarivattom, Kochi - 682025
21	NORTH	DASUYA	PUNJAB	G.T Road , Near Punjab National Bank ,Dasuya

22	NORTH	MCLEODGANJ	HIMACHAL PARDESH	Shop No. 1 A , Glound Floor , Asian Plaza Complex , Opp Main Bus Stand Chowk , Main Square , Mcleodganj , Dharmshala , Himachal Pradesh 176219
23	NORTH	DLF DELHI	NEW DELHI	Dsm 335,336,337, 3Rd Floor , Dlf Tower, 15 Shivaji Marg, Najafgarh Road, Moti Nagar, New Delhi
24	NORTH	CP DELHI	NEW DELHI	Lgf 136 & Lgf 125 , World Trade Center, Babar Road , Connaught Place, New Delhi - 110001
25	NORTH	FARIDKOT	PUNJAB	Jubliee Cinema Chowk, Collage Road, Opp. Canera Bank, College Road ,Faridkot(Punjab)
26	NORTH	FEROZEPUR	PUNJAB	The Mall Raod,Shaheed Udhm Singh Chowk Market, Opp. Axis Bank, Ferozpur City
27	NORTH	GARDHIWALA	PUNJAB	Shop No 08, Near College Canteen, Vpo Gardhiwal, Distt Hoshiarpur Punjab.
28	NORTH	GURGAON	NEW DELHI	B- 119, Supermart -1, DLF phase -4, Gurgaon, Haryana
29	NORTH	GARHSHANKAR	PUNJAB	Opp Sbp, Near Railway Station, Hoshiarpur Road, Garhshankar(Pb)
30	NORTH	GURDASPUR	PUNJAB	Shop No.1 Shivam Market, Opp Lic Office, G T Road ,Gurdaspur
31	NORTH	HOSHIARPUR	PUNJAB	Roshan Ground ,Near Bengali Sweet Shop, Phawara Chowk, Hoshiarpur
32	NORTH	HOSHIARPUR	PUNJAB	Near Cooperative Bank, Railway Road, Hoshiarpur 146001
33	SOUTH	HYDERABAD	TELANGANA	5 & 6 Upper Ground Floor, Liberty Plaza, Himayath Nagar, Hyderabad - 500029
34	CENTRAL WEST	INDORE	MADHYA PRADESH	U.G.1 Royal Ratan, 7 M.G. Road, Indore , Madhya Pradesh
35	CENTRAL WEST	JABALPUR	MADHYA PRADESH	Shop No. 7 - 8 , Narmada Plaza, Bloom Chowk, Shastri Bridge, Jabalpur, M.P
36	NORTH	JAGRAON	PUNJAB	Tehsil Road, Opp. Ssp Office, Jagraon, Distt Ludhiana
37	NORTH WEST	JAIPUR	RAJASTHAN	8,Katewa Bhawan,Opp. Ganpati Plaza,M.I.Road,Jaipur 302001
38	NORTH	JAMMU	JAMMU AND KASHMIR	81 -A Gole Market , Gandhi Nagar, Jammu.
39	NORTH	JALANDHAR	PUNJAB	Shop No 2 York Buliding Bmc Chowk, Near Redission Hotel, Jalandhar
40	NORTH	KHANNA	PUNJAB	Ground Floor, Hardyal Complex , Near Jain Sweet Shop, Opp Bus Stand , Khanna
41	NORTH	KASOL	HIMACHAL PARDESH	Vpo Kasol , Teshil Bhunter , Distt Kullu , Himachal Pradesh
42	NORTH	LEH	JAMMU AND KASHMIR	Opposite Sbi , Leh Ladakh
43	NORTH	LPU PHAGWARA	PUNJAB	Shop No 309, Shopping Mall,Lovely Proessional University Campus, Jalandhar- Delhi Gt Raod Nh-1 Phawara Distt Kapurthala.

44	NORTH CENTRAL	LUCKNOW	UTTAR PRADESH	Shop No. 3 , 37, Cantt Road, Upper Ground Floor, Lucknow - 226001
45	NORTH	MAHILPUR	PUNJAB	Phagwara Road, Mahilpur, Distt Hoshiarpur
46	NORTH	MANALI	HIMACHAL PARDESH	Shop No.5 , Ram Bag , The Mall Manali , Distt. Kullu , Himachal Pradesh 175131
47	NORTH	MOHALI	PUNJAB	Booth No 17 Phase Vii Mohali
48	NORTH	MOGA	PUNJAB	Puri Complex , G T Road, Moga
49	WEST	MUMBAI	MAHARASHTRA	Shop No.8 , Chintamani Plaza , Andheri Kurla Road , Chakala , Andheri East , Mumbai - 400099
50	NORTH	NAKODAR	PUNJAB	Banwari Towers,G.F.,Opp Bus Stand,Near Oriental Insurance Nakodar , Distt Jalandhar
51	WEST	NADIAD	GUJARAT	Shop No.10, Municipal Shopping Centre, Opp Paras Cinema, Nadiad
52	NORTH	NOIDA	NEW DELHI	Unit No. F3/22, 3Rd Floor, Plot No D6 , Wave Silver Tower , Sector 18 , Noida (Up) - 201301
53	NORTH	NAWANSHAHR	PUNJAB	Ground Floor, Ambedkar Chowk, Opp Rai Market,Nawanshahar
54	NORTH	PEHOWA	HARYANA	Opp Bus Stand, Near Chabbra Sweet House, Abmala Road, Pehowa - Haryana - 136128
55	NORTH	PHILLAUR	PUNJAB	Old Nawanshar Road, Phillaur,Punjab
56	NORTH	PHAGWARA	PUNJAB	#37, Lower Ground Floor, Honda City Centre , Opp. Bus Stand Phawara 144401 Distt Kapurthala
57	NORTH	PATHANKOT	PUNJAB	Sco No. 5 1St Floor, Dr. Spm Shopping Complex, Above Gange Mange Di Hatti, Opp. Ciy Centre Mall, Dalhousie Road Pathankot
58	NORTH	PATIALA	PUNJAB	Opp. Gurudwara Dukhniwaran Sahib, Passey Road, Patiala 1470001
59	WEST	RAJKOT	GUJARAT	Shop No.U 32 , Neptune Tower , Opp Jalaram Petrol Pump , Kalwad Road , Rajkot 360001
60	NORTH	SUNDER NAGAR	HIMACHAL PARDESH	Shop At Bhojpur , Abutting To Nh 21 , Mandi Road , Sunder Nagar , Himachal Pradesh 174401
61	NORTH	SUDHAR	PUNJAB	Kuldip Di Hutti, Mullanpur Road , Opp Nova Collections,, Sudhar Distt Ludhiana
62	WEST	SURAT	GUJARAT	Ward No.3 Nondh No. 4222 , Baranpuri , Opp Mohan Sweet, Bhagal Char Rasta , Bundelwal , Surat
63	NORTH	TANDA	PUNJAB	Deep Complex, Orrpsite Mc Office , Tanda (Punjab)
64	SOUTH	TRICHY	TAMILNADU	No. 07 1St Floor, Bishop Heber Higher Secondary School Shopping Complex ,Puthur High Road , Trichy-620017 (Tn) -620017
65	NORTH	TARN TARAN	PUNJAB	Guru Ram Dass Marg Char Khamba Chowk Opp Punjab & Sind Bank, Tarntaran
66	NORTH	UNA	HIMACHAL PARDESH	Shanti Bhawan , Near Rotary Chowk , Nangal Road , Una . Himachal Pradesh 174303

67	NORTH	URAPAR	PUNJAB	Opp Near Gurudwara Shaheed Ganj, Vpo.Urapar, Distt Nawashahar (Punjab)
68	WEST	VADODARA	GUJARAT	G 20 / P, The Emperor , Fatehgunj Main Road , Vadodara Gujarat 390002
69	NORTH CENTRAL	VARANASI	UTTAR PRADESH	Shop No.9, Mint House, Nadesar , Distt- Varanasi, Varanasi 221002
70	NORTH	SRI GANGANAGAR	PUNJAB	11,C Block,Gaushala Road,Birbal Chowk ,Opp. Tata Tanishq Jewellery Showroom Sriganganagar Rajasthan
71	NORTH	AMRITSAR	PUNJAB	Ground Floor, Shop No 5, Deep Cmplex,Court Road, Opp. Doawa Automobiles, Amritsar-143001
72	NORTH	LUDHIANA	PUNJAB	Sco 14, 1St Floor , Green Park Avenue , Canal Colony Pakhowal Road Ludhinana
73	NORTH	ZIRAKPUR	PUNJAB	Sco No 3-4, Groung Floor, Shree Balaji, Complex, Patiala Raod, Zirakpur-140606
74	NORTH	KURUKSHETRA	HARYANA	SCO NO-39, SEC 17 MAIN MARKET KURUKSHETRA,
75	NORTH	KARNAL	HARYANA	DSS NO-207,SEC 12 PART 1,KARNAL,OPP Muthoot Finance
76	NORTH	RUP NAGAR	PUNJAB	SCO NO. 24 BEANT SINGH AMAN NAGAR, RUPNAGAR PART-2, DISTRICT RUPNAGAR
77	NORTH	MOGA	PUNJAB	SCO/SCF-24, GROUND FLOOR, LAL BAHADUR SHASTRI COMPLEX OF IMPROVEMENT TRUST, NEAR AXIS BANK, G T ROAD, MOGA, (PUNJAB)
78	NORTH	MCLEODGANJ	HIMACHAL PARDESH	SHOP. NO.1 & 2, MAIN SQUARE, MCLEODGANJ, DHARAMSHALA, DISTT. KANGRA

NOTICE

NOTICE is hereby given that 35th Annual General Meeting of the shareholders of M/s Paul Merchants Limited will be held on Monday, the 30th day of September, 2019 at 12.00 Noon at the Forever Banquet, 20, Paschim Vihar Extn., Metro Pillar No. 193, Opp. Ordinance Depot, New Delhi- 110063 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2019 and the Report of the Auditors thereon.
3. To appoint a Director in place of Smt Sarita Rani Bansal (DIN 00094504) who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Sh Sandeep Bansal (DIN 00094391) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

5. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and all other applicable Provisions, if any, of the Companies Act, 2013 ('Act') read with Schedule V to the said Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable Rules made under the Act (including any Statutory modification(s) or re-enactment thereof for the time being in force), subject to the Articles of Association of the Company and subject to such other approvals and compliances as per the applicable provisions of the Act as may be necessary, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Sat Paul Bansal (DIN 00077499), who is aged 72 years, as Chairman Cum Managing Director of the Company, having substantial powers of management of the affairs of the Company, for a period of 5 (Five) years commencing from 01-04-2019 and ending with 31-03-2024 on the following terms and conditions and payment of remuneration for a period of three (3) years with effect from 01-04-2019:-

- a. **Salary:-** Rs.12,00,000/- (Rupees Twelve Lakhs Only) per month.
- b. **Commission:-** upto 2% of the Net Profits of the Company earned during any financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board.
- c. **Benefits:-** No other benefits, bonuses, stock options, pension, emoluments, allowances etc.
- d. **Service Contract period:-** 5 years i.e. from 01-04-2019 till 31-03-2024
- e. **Remuneration period :-** 3 years i.e. from 01-04-2019 till 31-03-2022
- f. **Notice Period:-** Three months.
- g. **Severance Fees:-** No severance fees is payable to him.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, **Mr. Sat Paul Bansal** (DIN 00077499) will be paid the salary and perquisites as specified above subject to the provisions of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT with the payment of Remuneration as above to the Chairman Cum Managing Director, the remuneration of other Whole Time Directors of the Company shall remain

unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year.

RESOLVED FURTHER THAT Liberty and Authority be and is hereby given to the Board of Directors of the Company, which will be deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution, to decide all questions arising out of this matter, to take all requisite steps to give effect to this resolution and to vary, alter and modify the terms and conditions governing the appointment and remuneration of the Chairman Cum Managing Director of the Company including allowing increase in Salary up to Rs. 20,00,000/- (Rupees Twenty Lakhs Only) per month, as may be agreed to by the Board of Directors or Board Committee and the Chairman Cum Managing Director Mr. Sat Paul Bansal (DIN 00077499) from time to time, subject to the provisions of all applicable Laws.”

6. TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:

“**RESOLVED THAT** in partial modification of the Special Resolution passed by the Shareholders of the Company in their Annual General Meeting held on 27-09-2018 and pursuant to the Provisions of Section 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), Schedule V to the said Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable Rules made under the Act (including any Statutory modification(s) or re-enactment thereof for the time being in force), subject to the Articles of Association of the Company and subject to such other approvals and compliances as per the applicable provisions of the Act as may be necessary, the approval of the Members of the Company be and is hereby accorded for revision in the remuneration of Mr. Dharam Pal Sharma (DIN 07284332), Whole Time Director of the Company in a way that his remuneration shall be within the range of Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand Only) per annum to Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) per annum w.e.f. 01.04.2019 for his remaining tenure and on the following other Terms and Conditions:-

- a. **Benefits:-** Performance Bonus within the above ceiling, as decided by Nomination and Remuneration Committee of the Board. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. will be payable to him during the term.
- b. **Other Benefits:-** Leave Encashment within the above ceiling as per the Company's Policy and Gratuity as per Payment of Gratuity Act;
- c. **Service Contract period:-** From 09-11-2015 till 31-03-2020;
- d. **Notice Period:-** Two months;
- e. **Severance Fees:-** No severance fees is payable;
- f. **Fixed Component:** Fixed component is his salary;
- g. **Performance Linked Incentive:-** Performance Linked Incentive within the above ceiling, as decided by Nomination and Remuneration Committee of the Board;

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Mr. Dharam Pal Sharma (DIN 07284332) will be paid the salary and perquisites as specified above subject to the provisions of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT with the payment of Remuneration as above to Mr. Dharam Pal Sharma (DIN 07284332), the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year.

RESOLVED FURTHER THAT Liberty and Authority be and is hereby given to the Board of Directors of the Company, which will be deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution, to decide all questions arising out of this

matter, to take all requisite steps to give effect to this resolution and to vary, alter and modify the terms and conditions governing the remuneration of Mr. Dharam Pal Sharma (DIN 07284332) including allowing annual increments in the remuneration within the ceiling defined in this Resolution, as may be agreed to by the Board of Directors or Board Committee and Mr. Dharam Pal Sharma (DIN 07284332), subject to the provisions of all applicable Laws.”

7. TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable Rules made under the Act, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Dilbag Singh Sidhu (DIN 05210193), who is aged 73 years and who was appointed as an Independent Director at the 30th Annual General Meeting of the Company and who holds office up to the ensuing Annual General Meeting and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from him under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second successive term commencing with the date on which the first term of Mr. Dilbag Singh Sidhu (DIN 05210193) ends and the term of Mr. Dilbag Singh Sidhu (DIN 05210193) be taken as beginning from 01-10-2019 and ending on 31-03-2024.”

RESOLVED FURTHER THAT continuation of appointment of Mr. Dilbag Singh Sidhu as an Independent Director of the Company, on attaining the age of 75 (Seventy Five) years on 15-04-2021 during the above term of re-appointment, be and is also hereby approved pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

RESOLVED FURTHER THAT Liberty and Authority be and is hereby given to the Board of Directors of the Company, which will be deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution, to decide all questions arising out of this matter, to take all requisite steps to give effect to this resolution and to decide the terms and conditions governing the appointment of Mr. Dilbag Singh Sidhu.”

8. TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable Rules made under the Act, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Vigyan Prakash Arora (DIN 00806647), who was appointed as an Independent Director at the 30th Annual General Meeting of the Company and who holds office up to the ensuing Annual General Meeting and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a

declaration to that effect and in respect of whom the Company has received a Notice in writing from him under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second successive term commencing with the date on which the first term of Mr. Vigyan Prakash Arora (DIN 00806647) ends and the term of Mr. Vigyan Prakash Arora (DIN 00806647) be taken as beginning from 01-10-2019 and ending on 31-03-2024.”

RESOLVED FURTHER THAT Liberty and Authority be and is hereby given to the Board of Directors of the Company, which will be deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution, to decide all questions arising out of this matter, to take all requisite steps to give effect to this resolution and to decide the terms and conditions governing the appointment of Mr. Vigyan Prakash Arora.”

9. TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable Rules made under the Act, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Ajay Arora (DIN 00314161), who was appointed as an Independent Director at the 30th Annual General Meeting of the Company and who holds office up to the ensuing Annual General Meeting and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from him under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second successive term commencing with the date on which the first term of Mr. Ajay Arora (DIN 00314161) ends and the term of Mr. Ajay Arora (DIN 00314161) be taken as beginning from 01-10-2019 and ending on 31-03-2024.”.

RESOLVED FURTHER THAT Liberty and Authority be and is hereby given to the Board of Directors of the Company, which will be deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution, to decide all questions arising out of this matter, to take all requisite steps to give effect to this resolution and to decide the terms and conditions governing the appointment of Mr. Ajay Arora.”

Place: Chandigarh
Date: August 06, 2019

By order of the Board of Directors
for **PAUL MERCHANTS LIMITED**

SD/-

HARDAM SINGH
(COMPANY SECRETARY)
Membership No. FCS-5046
12-D, Angel Apartments,
Zirakpur (Pb)-140603

NOTES:

- (1) The Explanatory Statement as required under Section 102 of the Companies Act, 2013, in respect of item Nos. 5 to 9 of the Notice convening the Meeting is annexed hereto.
- (2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ATTACHED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 35th ANNUAL GENERAL MEETING.
- (3) A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% 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 PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
- (4) Every member entitled to vote at the meeting, or on any resolution to be moved there at, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days notice in writing of the intention so to inspect is given to the company.
- (5) Route map and prominent land marks near the Venue of the Annual General Meeting is attached at the end of this Annual Report.
- (6) Members holding shares in physical form are requested to notify/send the following, if not provided earlier, to the Registrar & Transfer Agent (RTA) of the Company M/s Alankit Assignments Limited, 1E/13, Jhandewalan Extn. New Delhi- 110055 (INDIA) Ph No. : 011-42541959:-
 - a. their bank account details by way of a cancelled cheque, in order to receive payment of dividend, whenever declared, through electronic mode.
 - b. their self attested PAN
 - c. their email id, in case the same have not been sent earlier, for the purpose of receiving the communications including Annual Reports electronically
 - d. any change in their address/e-mail id/ECS mandate/ bank details
 - e. share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account
 - f. Members holding shares in dematerialized form are requested to notify to their Depository Participant :-
 - i. their email id.
 - ii. all changes with respect to their address, email id, ECS mandate and bank details.
- (7) As per the Securities and Exchange Board of India Notification, the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) card to the Company / RTA while transacting in the securities market including transmission or any other corporate action. Accordingly, all the shareholders/ transferees of shares (on transmission) (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the Company/ RTA while transacting in the securities market in relation to any corporate action. Attention of the members is also invited to note no. 8 below in this regard.
- (8) The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose. The attention of the members is also invited to SEBI Circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20-04-2018, vide which SEBI has directed all the listed Companies to record the PAN and Bank account details of all their shareholders holding shares in physical mode through their RTA. Accordingly, your Company has initiated steps for registering the PAN details of all the shareholders (including joint holders, if any) and Bank Account details of the registered shareholders holding shares in physical form. Further, the attention of the members is

also invited to Gazette Notification dated 08-06-2018 by SEBI, vide which SEBI has mandated that transfer of Securities of the Company would be carried out in dematerialized form only and has further mandated that with effect from 01-04-2019, it should be ensured that shares which are lodged for transfer shall be in dematerialized form only. Necessary communications to this effect have already been sent by the RTA of the Company M/s Alankit Assignments Ltd. to all the Members of the Company. Members, holding shares in physical form are once again requested to convert their shares into dematerialized form soon to avoid any kind of inconvenience in future.

- (9) In accordance with Section 20 of the Companies Act, 2013, service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report 2018-19 is being sent to all the members whose shareholding is in dematerialised format and whose email address (es) are registered with the Company/RTA/Depository Participant(s), unless any member has requested for a hard copy of the same. Further, in accordance with Regulation 36(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 136 of the Companies Act, 2013 including Rule 11 of the Companies (Accounts) Rules, 2014 the hard copy of Annual Report 2018-19 is being sent to all other members where Shareholding is held otherwise than by dematerialised format and who have not positively consented in writing for receiving the Financial Statements by electronic mode. Members, who have not yet registered their email address with the Company/RTA/Depository Participant, are requested to do the same at the earliest by submitting the duly filled in "e-Communication Registration Form" (available on Company's website [link http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2016/02/Registration-of-Email-ID.pdf](http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2016/02/Registration-of-Email-ID.pdf) to the Company/RTA. Members can also submit their form along with Attendance Slip at the Registration Counter at AGM. Members holding shares in dematerialized form are requested to register their email address with their Depository Participant only. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, free of cost.

The Notice of 35th Annual General Meeting and the Annual Report 2018-19 will also be available on the Company's website www.paulmerchants.net for downloading by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours. (Adobe PDF can be downloaded at <https://get.adobe.com/reader>)

- (10) The Shareholders/Proxies are requested to produce at the Registration Counter(s), the attendance slip sent along with this Report, duly completed and signed, for admission to the meeting hall. However, in case of non-receipt of Notice of AGM, members are requested to write to the Company at its Registered Office for issuing the duplicate of the same or download the same from Company's website www.paulmerchants.net or can write to investor.redressal@paulmerchants.net
- (11) In case any Member has any query relating to the Annual Accounts he/she is requested to send the same to the Company at the Registered Office of the Company at least 7 days before the date of AGM so as to enable the management to keep the information ready for replying at the meeting.
- (12) Pursuant to provisions of Section 124 of the Companies Act, 2013, the amount of dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. As on the date of this Annual Report, the Company has no unclaimed or unpaid dividend amount pertaining to dividends declared for the earlier financial years. Pursuant to the circular issued by the Ministry of Corporate Affairs (MCA) with respect to IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 dated May 10, 2012, the information of unclaimed and unpaid Dividend, up to the date it remained unpaid/unclaimed was duly filed by the Company with the Ministry of Corporate Affairs (MCA). MCA had also uploaded details of the same on its website at www.iepf.gov.in.

- (13) As a measure of saving of paper, copies of Annual Report will not be distributed at the venue of the AGM. Members are, therefore, requested to bring their own copies of the Annual Report to the meeting along with required Identification Documents.
- (14) In terms of Section 152 of the Companies Act, 2013, Smt Sarita Rani Bansal (DIN 00094504) and Sh Sandeep Bansal (DIN 00094391), Directors, retire by rotation at the Meeting and being eligible, offer themselves for re-appointment and the Board of Directors of the Company recommends their re-appointment. Their brief resumes are annexed with the Notice of the AGM as **Annexure-6** and **Annexure-7** respectively. Brief Resumes of other Directors proposed to be appointed/re-appointed including the ones whose remuneration is proposed to be approved, nature of their expertise in specific functional areas, disclosure of relationships between directors inter-se, names of listed entities in which the person also holds the directorship and the membership of Committees of the board, shareholding as stipulated under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standards are also annexed with the Notice of the AGM.
- (15) The Directors seeking appointment/reappointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Section 164(2) of the Companies Act, 2013 and other requisite declarations for their appointment / re-appointment. It may be noted that DIN of Sh. Sandeep Bansal (DIN 00094391), Director had been deactivated by the Ministry of Corporate Affairs w.e.f. 01.11.2017 due to the default committed by M/s Chandigarh Network Systems (P) Ltd, in filing the financial statements and annual returns with Registrar of Companies, which is not a group Company. Pursuant to the Writ Petition filed by Sh. Sandeep Bansal before the Hon'ble High Court of Punjab and Haryana, his disqualification as director has been stayed by the High Court vide its interim order dated 19-03-2019 and his DIN has also been activated.

All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection and such documents shall be available for inspection in physical or in electronic form on all working days between 11.00 am to 1.00 pm up to the date of AGM at the Registered Office of the company at New Delhi and copies thereof shall also be available for inspection in physical or electronic form at the Corporate Office of the Company at Chandigarh. The Statutory Registers like Register of Directors and Key Managerial Personnel & their Shareholding, the Register of Contracts & Arrangements in which Directors are interested and Register of Members as maintained by RTA shall be open for inspection at the meeting to any person having right to attend the AGM.

- (16) Members holding shares in physical form and desirous of making a nomination or cancellation/variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the RTA of the Company M/s Alankit Assignments Ltd the prescribed Form SH 13 for nomination and Form SH 14 for cancellation/ variation as the case may be. The Forms can be downloaded from Company's website www.paulmerchants.net under Investor Section. Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.
- (17) Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 24-09-2019 to 30-09-2019 (both days inclusive) for the purpose of AGM. Further, the members who hold shares as on the Cut off date i.e. Monday, September 23, 2019 shall be entitled for voting (including remote e- voting) for the Annual General Meeting.
- (18) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (19) Members are advised to refer to the General Shareholders Information as provided in this Annual Report.
- (20) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution/ power of attorney authorizing their representative(s) to attend and vote on their behalf at the Meeting.

(21) In terms of the provisions of Section 107 and 108 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through remote e-voting and by way of Ballot Papers at the venue of AGM, the said resolutions will not be decided on a show of hands at the Meeting.

(22) **E-VOTING:**

- a. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company is providing facility for voting by electronic means to its members to enable them to cast their votes electronically through remote e-voting (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting) and for this purpose the Company has engaged the services of Central Depository Services (India) Limited (CDSL). This remote e-voting facility is available on all resolutions set forth in this Notice and as such the business of the AGM may be transacted through such voting.
- b. The Company shall also provide facility for voting through Ballot paper which shall be available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting. Any member, who has cast his/ her/ its vote through remote e-voting, may attend Annual General Meeting but shall not be entitled to vote again at the AGM.
- c. The voting period begins on 09:00 a.m. (IST) on Friday, September 27, 2019 and ends on 05:00 p.m. (IST) on Sunday, September 29, 2019. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23-09-2019 may cast their vote electronically. Remote e-voting shall not be allowed beyond the said date and time and the e-voting module shall be disabled by CDSL for voting thereafter.
- d. The members who have already cast their vote by remote e-voting, may also attend the meeting but shall not be entitled to cast their vote again.
- e. The Board of Directors have appointed Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh as the Scrutinizer, for conducting the remote e-voting process and voting at the AGM in a fair and transparent manner.
- f. The cut-off date for the purpose of voting (including remote e-voting) and for attending the AGM is after closing hours of Monday, 23rd September, 2019.
- g. Members are requested to carefully read the instructions for remote e-voting before casting their vote.
- h. The remote e-voting facility will be available during the following period after which the evoting portal shall forthwith be blocked and shall not be available:

Commencement of remote e-voting	Friday, 09:00 a.m. (IST) on September 27, 2019
End of remote e-voting	Sunday, 05:00 p.m. (IST) on September 29, 2019
Cut Off date	Monday, 23 rd September, 2019

i. The procedure and instructions for remote e-voting are as under:

In case of members receiving the Annual Report by email:

- (i) Log on to the e-voting website www.evotingindia.com

- (ii) Click on “Shareholders” tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID.
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing passwords is to be used.
- (vi) If you are a first time user, follow the steps given below.

Fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. The sequence number shall be sent separately to the members. In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the Electronic Voting Sequence Number (EVSN) for the Company “Paul Merchants Limited” on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and NO implies that you dissent to the Resolution.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forget Password & enter the details as prompted by the system.

Note for Non – Individual Shareholders and Custodians

- (xvii) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- (xviii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- (xix) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- (xx) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (xxi) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps listed above to cast vote.
- (B) The voting period begins on 09:00 a.m. (IST) on Friday, September 27, 2019 and ends on 05:00 p.m. (IST) on Sunday, September 29, 2019.
- (C) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on close of the business hours on the cut-off date 23-09-2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

FOR Members Becoming Member Of The Company After The Dispatch Of Notice:-

Any person, who acquires shares of the Company and becomes member of the Company after the Dispatch of Notice and holds shares as of the cut-off date i.e. 23-09-2019, may obtain the login id and sequence number by sending a request to RTA of the Company M/s Alankit Assignments Ltd, 1E/13, Jhandewalan Extn. New Delhi- 110055 (INDIA) Ph No. : 011-42541959 or CDSL. However, if the said shareholder is already registered with CDSL for e-voting, then his existing user id and password can be used for casting the vote. If he has forgotten the password, he can reset his password by using "Forgot User Details/Password" option available on www.evotingindia.com.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com. You may also contact Mr. Hardam Singh, Company Secretary of the Company at investor.redressal@paulmerchants.net or at 0172-5041760 or Fax 0172-5041713 or at PML House, SCO 829-830, Sector 22-A, Chandigarh - 160022 .

- (xxii) The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on the cut off date i.e. 23-09-2019
- (xxiii) Shareholders can also cast their vote using CDSL's mobile App 'CDSL m-Voting' available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile
- (xxiv) The scrutiniser shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than 24 Hours from conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the results of the voting forthwith. The result of the e-voting shall be declared by the Chairman or any other person duly authorized by him in writing on Tuesday, October 1, 2019 at 2.00 PM at Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022.

- (xxv) The manner in which members have cast their votes, that is, affirming or negating the resolution, shall remain secret and not available to the Chairman, Scrutiniser or any other person till the votes are cast in the meeting.
- (xxvi) The Scrutinizer`s decision on the validity of the vote shall be final and binding.
- (xxvii) The result declared along with the Scrutinizer`s report shall be placed on the website of the Company (www.paulmerchants.net) and on the website of CDSL (www.cdslindia.com) immediately after the result is declared and shall simultaneously be forwarded to the BSE Limited, where the Company`s shares are listed. The result of the voting, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not shall also be displayed on the Notice Board of the company at its Registered Office at New Delhi and its Corporate Office at Chandigarh.
- (xxviii) The resolutions will be deemed to be passed on the date of AGM subject to receipt of requisite number of votes in favour of the resolutions.

Place: Chandigarh
Date: August 6, 2019

By order of the Board of Directors
for **PAUL MERCHANTS LIMITED**

SD/-
HARDAM SINGH
(COMPANY SECRETARY)
FCS-5046
12-D, Angel Apartments,
Zirakpur (Pb)-140603

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 5**

The present term of Sh. Sat Paul Bansal (DIN 00077499), Chairman cum Managing Director of the Company was valid upto 31.03.2019. The Board of Directors of the Company had, subject to the Provisions of Sections 196, 197, 198, 203 and all other applicable Provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V of the said Act, re-appointed Mr. Sat Paul Bansal as the Chairman cum Managing Director of the Company for a period of 5 years w.e.f. 01-04-2019, subject to approval of the shareholders. The Board had fixed the remuneration of Sh. Sat Paul Bansal at current level only as set out in the Resolution at item no. 5 of the Notice w.e.f. 01-04-2019 and the said terms as set out in the Resolution may be treated as a written memorandum setting out the terms of re-appointment of Sh. Sat Paul Bansal under Section 190 of the Act

It has been provided in Section 196 of the Act that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person. Sh. Sat Paul Bansal is more than 70 years of age. The justification for his appointment as the Chairman cum Managing Director of the Company is that he is very active physically as well as mentally, in managing the affairs of the Company and keeps fully fit & healthy. He has valuable & matchless contribution towards the growth of the Company and has been guiding and supervising all the departments of the Company ever since becoming the Managing director of the Company. His continuance as Chairman cum Managing Director of the Company will be highly beneficial for the Company. Further, his appointment as well as Remuneration and the fact of his more than 70 years of age has been approved by the by Audit Committee, Nomination and Remuneration Committee of the Company and also by the Board. As such, his re-appointment as Chairman cum Managing Director of the Company and his remuneration as spelt out in the Resolution set out at item no. 5 of the Notice is justified. Further, the Statutory Auditors of the Company have issued their certificate that the proposed transaction shall be at Arm's Length. The said Certificate has been appended at the end of the Explanatory Statement to this Notice as **Annexure 1-C**. The detailed conditions have been provided in the Resolution itself.

As per the requirements of Section 197 of the Companies Act, 2013 and the provisions of Schedule V thereto, the appointment/re-appointment of the Managing Director/Whole Time Directors and their remuneration is to be made with approval of the Shareholders in the General Meeting and it is further provided that except with the approval of the company in general meeting by a special resolution, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together. As the proposed remuneration of Sh. Sat Paul Bansal as Chairman cum Managing Director of the Company is likely to exceed 5% of the Net Profits and remuneration of all whole time directors, taken together is likely to exceed 10 % of the net profits of the Company, the matter requires approval of the Shareholders of the Company by way of Special Resolution.

It is further provided in Schedule V to the Act that the Special Resolution passed for payment of remuneration to a managerial person at the general meeting of the company, should be for a period not exceeding three years. As such, while the appointment of the Chairman cum Managing Director of the Company is proposed to be approved for a term of 5 years, his remuneration shall be valid for 3 years, as spelt out in the Resolution set out at item no. 5 of the Notice.

It has been further provided in Regulation 17 (6) (e) of SEBI LODR Regulations that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

As the proposed remuneration of Sh. Sat Paul Bansal as Chairman cum Managing Director of the Company along with all Executive Directors, taken together is likely to exceed 5 % of the net profits of the Company, the matter requires approval of the Shareholders of the Company by way of Special Resolution.

Therefore, the re-appointment of Sh. Sat Paul Bansal as Chairman cum Managing Director of the Company and fixation of his salary is placed for approval of the Members of the Company at the ensuing Annual General Meeting. Therefore your Directors recommend the Resolution set out at Item no. 5 to be passed as Special Resolution.

The appointee Director Mr. Sat Paul Bansal may be treated as interested in this resolution, to the extent of his remuneration and other benefits arising out of this resolution. Further, Mr. Rajneesh Bansal, Mrs. Sarita Rani Bansal and Mr. Sandeep Bansal, Directors of the Company may also be treated as interested in this resolution as immediate relatives of Mr. Sat Paul Bansal and also as members of the same family. No other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice

As on date, Mr. Sat Paul Bansal, Chairman cum Managing Director of the Company holds Nil Equity Shares in the Company and does not hold any Stock Options

Further, as per Section 197 of the Act read over with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, some Parameters have been specified which are to be taken into account by the Shareholders while according their approval as given below:-

- (1) the Financial and operating performance of the company during the three preceding financial years.
- (2) the relationship between remuneration and performance.
- (3) the principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company.
- (4) whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference.
- (5) the securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.

As such your Directors have considered the above parameters in their meeting held on 06-08-2019 in relation to the re-appointment and remuneration of the Chairman cum Managing Director. The said proposal has also been approved by the Nomination and Remuneration Committee of the Board and by Audit Committee of the Board. The required information as per the abovesaid parameters is given below:-

(1) The Financial and operating performance of the company during the three preceding financial years.

On Standalone basis:-

PARTICULARS	FY 2016-17	FY 2017-18	FY 2018-19
Total Income	28,96,47,37,066	45,50,37,58,539	49,11,40,71,103
Earnings before Interest, Depreciation and Tax (from Continued operation)	14,28,48,780	24,90,91,212	17,65,08,096
Profit from Continued Operations before Tax	10,13,73,194	20,65,07,796	14,28,76,345

Profit from Discontinued Operations before Tax	23,26,53,483	2,59,75,475	-
Gain on Sale of Business Segment before Tax	-	2,55,66,50,931	-
Total Profit before Tax	33,40,26,677	2,78,91,34,202	14,28,76,345
Total Profit after Tax	12,70,11,118	2,13,08,89,806	15,05,13,276
Total Comprehensive Income	12,45,11,017	2,13,03,52,344	15,12,45,132

On Consolidated basis :-

PARTICULARS	FY 2016-17	FY 2017-18	FY 2018-19
Total Income	28,96,47,37,066	45,55,65,05,874	49,29,89,18,083
Earnings before Interest, Depreciation and Tax (from continued Operations)	14,40,42,320	26,19,39,555	28,23,00,742
Profit from Continued Operations before Tax	10,13,73,194	21,23,02,526	23,96,12,533
Profit from Discontinued Operations before Tax	23,26,53,483	2,59,75,475	-
Gain on Sale of Business Segment before Tax		2,55,66,50,931	-
Share in Profit of JV	11,93,540	8,37,009	9,01,480
Total Profit before Tax	33,52,20,217	2,79,57,65,940	24,05,14,013
Total Profit after Tax	12,82,04,659	2,13,58,94,706	22,07,95,442
Total Comprehensive Income	12,57,04,557	2,13,53,57,244	22,08,46,932

(2) The relationship between remuneration and performance:-

The proposed remuneration as set out in item no. 5 of the Notice, is fully justified by the performance of Mr. Sat Paul Bansal as he is in overall supervision and administration of all the affairs of the Company and for the proposed term, his remuneration is proposed to be approved on the existing level only without any hike. Further, the performance evaluation of the proposed appointee Mr. Sat Paul Bansal has been carried by Nomination and Remuneration Committee of the Board on 15-04-2019 and also by the Board of Directors on 14-05-2019. As such, the proposed remuneration to be paid to Mr. Sat Paul Bansal is fully justified. The payment of proposed Remuneration to the CMD has been approved by the Board, Nomination and Remuneration Committee of the Board and also by Audit Committee of the Board.

(3) The principle of proportionality of remuneration within the Company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the Company

The Principle of proportionality followed in the Company is that Whole Time Directors of the Company are paid monthly remuneration and in case of Managing Director and Executive Director of the Company, commission based upon the net profits of the company is also paid. The rationale behind paying the commission to Managing Director/Executive Director is that the amount of profit earned by the Company in any financial year is directly linked to their strategy formulation, conduct of business, policy decisions and general management of the affairs of the Company. Independent Directors on the Board are paid Sitting Fee for the Board/Committee Meetings and reimbursement of travelling expenses is also made to them for attending Board / Committee Meetings. The sitting fee of the Independent Directors is decided by the Board based upon the qualification and experience of the individual directors. Further, the employees of the Company are paid remuneration based upon their qualification, experience and personal traits and their performance in the Company. Some categories of the staff are also paid incentives and variable salary which is based upon their performance. The remuneration of the directors and senior management people of the company is approved by the Nomination and Remuneration Committee of the Board. As a lot of subjective criteria is involved in fixation of remuneration of the directors and employees of the Company, arithmetic

principle of proportionality of remuneration within the Company is difficult to be arrived at and for the same reason, any rating methodology is also difficult to be worked out.

(4) Whether remuneration policy for directors differs from remuneration policy for the employees and if so, an explanation for the difference.

As per the Nomination and Remuneration Policy of the Company, remuneration payable to the Whole Time Directors is based upon performance and is subject to the provisions of the Companies Act, 2013 and Articles of Association. The sitting fee payable to the independent directors is decided by the Board based upon the qualification and experience of the individual directors. The remuneration payable to Employees is based upon their knowledge, qualification, experience and performance. The reason for this differentiation is that remuneration to the Directors is governed by the provisions of the Companies Act, 2013 and Articles of Association of the Company and remuneration to the employees of the Company is based upon other factors as explained in the foregoing discussion and the same is also influenced by competitive factors.

(5) The securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.

As on 31-03-2019, Mr. Sat Paul Bansal, Chairman cum Managing Director of the Company held 201100 Equity Shares in the Company. As on the date of this report, he holds Nil shares in the Company. Further he does not hold any Stock Options. Further, he has not pledged any shares as at the end of the preceding financial year i.e. 2018-19. As on 31-03-2019 he was holding 201100 (19.56%) equity shares in the Company, which he has transferred to his wife (Immediate Relative) on family settlement basis on 24-05-2019, after making due compliances with applicable SEBI Regulations.

The information as required under para 1.2.5 of Secretarial Standard -2 is given under **Annexure 1-A** along with information pursuant to Regulation 36 (3) of the SEBI (LODR) Regulations, 2015, at the end of this Explanatory Statement and information required under Part II of Schedule V to the Companies Act, 2013 is given as **Annexure 1-B**.

ITEM NO. 6

Sh. Dharam Pal Sharma (DIN 07284332), Whole Time Director of the Company was appointed as such by Members of the Company in their Annual General Meeting held on 28-09-2016 and his Remuneration was revised in the Annual General Meeting of the Members of the Company held on 27-09-2018. The Board of Directors of the Company had, subject to the Provisions of Sections 196, 197, 198 and all other applicable Provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act, revised the remuneration of Sh. Dharam Pal Sharma (DIN 07284332), the Whole Time Director of the Company w.e.f. 01-04-2019 to be within the range of Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand Only) per annum to Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) per annum w.e.f. 01.04.2019 for his remaining tenure and the said terms as set out in the Resolution may be treated as a written memorandum setting out the terms of re-appointment of Sh. Dharam Pal Sharma under Section 190 of the Act.

As per the requirements of the Companies Act, 2013 (Act) and the provisions of Schedule V thereto, the appointment/re-appointment of the Managing Director/Whole Time Directors and increase/change in their remuneration is to be made with the approval of the Shareholders in the General Meeting. The said revision in the remuneration of Sh. Dharam Pal Sharma (DIN 07284332), Whole Time Director w.e.f. 01-04-2019 is subject to approval of the Members of the Company.

Therefore, the remuneration of Sh. Dharam Pal Sharma (DIN 07284332), Whole Time Director of the Company is placed for approval of the Members of the Company at the ensuing Annual General Meeting. Therefore your Directors recommend the Resolution set out at Item no. 6 to be passed as Special Resolution.

The aforesaid Remuneration had been approved by the Board of Directors in their meeting held on 07-02-2019, subject to the approval of the Members of the Company by way of Special Resolution. The said remuneration has also been approved by Audit Committee and the Nomination and Remuneration Committee of the Board. Further, the Statutory Auditors of the Company have issued their certificate that the proposed transaction shall be at Arm's Length. The said Certificate has been appended at the end of the Explanatory Statement to this Notice as **Annexure 2-C**. The detailed conditions have been provided in the Resolution itself.

No Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice except to the extent of their respective shareholding in the company. The concerned Director Sh. Dharam Pal Sharma may please be treated as interested in the resolution, to the extent of his remuneration and other benefits arising out of this resolution.

As on date, Sh. Dharam Pal Sharma holds Nil Equity Shares in the Company and does not hold any Stock Options

Further, as per Section 197 of the Act read over with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, some Parameters have been specified which are to be taken into account by the Shareholders while according their approval as given below:-

- (1) the Financial and operating performance of the company during the three preceding financial years.
- (2) the relationship between remuneration and performance.
- (3) the principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company.
- (4) whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference.
- (5) the securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.

As such your Directors have considered the above parameters in their meeting held on 06-08-2019 in relation to the remuneration of the Mr. Dharam Pal Sharma. The said proposal has also been approved by the Nomination and Remuneration Committee of the Board and by Audit Committee of the Board. The required information as per the abovesaid parameters is given below:-

(1) The Financial and operating performance of the company during the three preceding financial years.

On Standalone basis:-

PARTICULARS	FY 2016-17	FY 2017-18	FY 2018-19
Total Income	28,96,47,37,066	45,50,37,58,539	49,11,40,71,103
Earnings before Interest, Depreciation and Tax (from Continued operation)	14,28,48,780	24,90,91,212	17,65,08,096
Profit from Continued Operations before Tax	10,13,73,194	20,65,07,796	14,28,76,345
Profit from Discontinued Operations before Tax	23,26,53,483	2,59,75,475	-
Gain on Sale of Business Segment before Tax	-	2,55,66,50,931	-
Total Profit before Tax	33,40,26,677	2,78,91,34,202	14,28,76,345
Total Profit after Tax	12,70,11,118	2,13,08,89,806	15,05,13,276
Total Comprehensive Income	12,45,11,017	2,13,03,52,344	15,12,45,132

On Consolidated basis :-

PARTICULARS	FY 2016-17	FY 2017-18	FY 2018-19
Total Income	28,96,47,37,066	45,55,65,05,874	49,29,89,18,083
Earnings before Interest, Depreciation and Tax (from continued Operations)	14,40,42,320	26,19,39,555	28,23,00,742
Profit from Continued Operations before Tax	10,13,73,194	21,23,02,526	23,96,12,533
Profit from Discontinued Operations before Tax	23,26,53,483	2,59,75,475	-
Gain on Sale of Business Segment before Tax		2,55,66,50,931	-
Share in Profit of JV	11,93,540	8,37,009	9,01,480
Total Profit before Tax	33,52,20,217	2,79,57,65,940	24,05,14,013
Total Profit after Tax	12,82,04,659	2,13,58,94,706	22,07,95,442
Total Comprehensive Income	12,57,04,557	2,13,53,57,244	22,08,46,932

(2) The relationship between remuneration and performance:-

The proposed remuneration as set out in item no. 6 of the Notice, is also fully justified by the performance of Mr. Dharam Pal Sharma as he is playing an important role as the Whole Time Director and he has been designated as Designated Director in terms of RBI Guidelines, to take care of all compliances with Prevention of Money Laundering Act, KYC Norms, Anti Money Laundering Guidelines, RBI Act, Foreign Exchange Management Act, Payment & Settlements Act and Rules and Regulations prescribed thereunder. Further, the performance evaluation of the proposed appointee Mr. Dharam Pal Sharma has been carried by Nomination and Remuneration Committee of the Board on 23-01-2019 and 15-04-2019 and also by the Board of Directors on 14-05-2019. As such, the proposed remuneration to be paid to Mr. Dharam Pal Sharma is fully justified. The payment of proposed Remuneration to Mr. Dharam Pal Sharma has been approved by the Board, Nomination and Remuneration Committee of the Board and also by Audit Committee of the Board.

(3) The principle of proportionality of remuneration within the Company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the Company

The Principle of proportionality followed in the Company is that Whole Time Directors of the Company are paid monthly remuneration and in case of Managing Director and Executive Director of the Company, commission based upon the net profits of the company is also paid. The rationale behind paying the commission to Managing Director/Executive Director is that the amount of profit earned by the Company in any financial year is directly linked to their strategy formulation, conduct of business, policy decisions and general management of the affairs of the Company. Independent Directors on the Board are paid Sitting Fee for the Board/Committee Meetings and reimbursement of travelling expenses is also made to them for attending Board / Committee Meetings. The sitting fee of the Independent Directors is decided by the Board based upon the qualification and experience of the individual directors. Further, the employees of the Company are paid remuneration based upon their qualification, experience and personal traits and their performance in the Company. Some categories of the staff are also paid incentives and variable salary which is based upon their performance. The remuneration of the directors and senior management people of the company is reviewed/approved by the Nomination and Remuneration Committee of the Board. As a lot of subjective criteria is involved in fixation of remuneration of the directors and employees of the Company, arithmetic principle of proportionality of remuneration within the Company is difficult to be arrived at and for the same reason, any rating methodology is also difficult to be worked out.

(4) Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference.

As per the Nomination and Remuneration Policy of the Company, remuneration payable to the Whole Time Directors is based upon performance and is subject to the provisions of the Companies Act, 2013 and Articles of Association. The sitting fee payable to the independent directors is decided by the Board based upon the qualification and experience of the individual directors. The remuneration payable to Employees is based upon their knowledge, qualification, experience and performance. The reason for this differentiation is that remuneration to the Directors is governed by the provisions of the Companies Act, 2013 and Articles of Association of the Company and remuneration to the employees of the Company is based upon other factors as explained in the foregoing discussion and the same is also influenced by competitive factors.

(5) The securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.

Mr. Dharam Pal Sharma, Whole Time Director of the Company holds Nil Equity Shares in the Company and does not hold any Stock Options. Further, he has not pledged any shares as at the end of the preceding financial year i.e. 2018-19.

The information as required under para 1.2.5 of Secretarial Standard -2 is given under **Annexure 2-A** at the end of this Explanatory Statement along with information pursuant to Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and information required under Part II of Schedule V to the Companies Act, 2013 is given as **Annexure 2-B**.

ITEM NO. 7

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Dilbag Singh Sidhu (DIN 05210193) as an Independent Director, for a second term from October 1, 2019 to March 31, 2024, not liable to retire by rotation as explained in the Resolution set out at item no. 7. Mr. Dilbag Singh Sidhu was appointed as Independent Director at the 30th Annual General Meeting ("AGM") of the Company and holds office up to the ensuing Annual General Meeting. The Company has, in terms of Section 160(1) of the Companies Act, 2013 (Act) received in writing a notice from him, proposing his candidature for the office of Director. The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Dilbag Singh Sidhu would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

In the opinion of the Board, he fulfills the conditions specified in the Companies Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time.

As per Regulation 17 (1A) of the SEBI Listing Regulations, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. Mr. Dilbag Singh Sidhu will turn 75 years of age on 15-04-2021. The justification for his continuance as an Independent Director beyond 75 years of age is his vast knowledge, qualification and experience. He has educational qualification of M.A., LLB and he has been associated with the Income Tax Department for a long time and retired as Chief Commissioner from the Income Tax Department. He has been associated with the Company Paul Merchants Limited as an Independent Director since 26.02.2012. He has been playing an exceptional role as a Chairman of the Nomination and Remuneration Committee. His performance evaluation has been done by the Nomination and Remuneration Committee as well as by the Board. Keeping in view his vast experience, qualifications and knowledge, the Board is of the opinion that he will provide useful value addition to the decision making process of the Board and his re-appointment and continuance as an Independent Director is justified. In terms of Regulation 17 (1A) of

the SEBI Listing Regulations, his continuation as Non Executive Independent Director beyond 75 years of age, requires the approval of members by way of a special resolution

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, he is fully fit to continue as an Independent Director even beyond his age of 75 years. Further, Mr. Dilbag Singh Sidhu shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013. The Company has received following declarations from him in writing:-

- a. Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, signifying his consent to act as Independent Director of the Company.
- b. A declaration that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16 (1) (b) and 25 of the Listing Regulations
- c. A declaration in terms of Section 164 of the Companies Act, 2013 that he is not disqualified from being appointed as Director

As on date, Mr. Dilbag Singh Sidhu holds Nil Equity Shares in the Company and does not hold any Stock Options

A copy of the draft letter for re-appointment of Mr. Dilbag Singh Sidhu setting out the terms and conditions of re-appointment is available for inspection during the normal business hours on any working day except Sundays and Holidays and will also be kept open at the venue of the AGM till the conclusion of the AGM

As per the provisions of Section 149 (10) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. Further, as per the explanation provided under Section 149 (11), for the purposes of sub-sections (10) and (11), any tenure of an independent director on the date of commencement of the Act shall not be counted as a term under those sub-sections. Mr. Dilbag Singh Sidhu had been appointed on the Board on 26-02-2012 as an Independent Director and after the commencement of the Companies Act, 2013, was appointed for a term of 5 years by the Members of the Company in their 30th Annual General Meeting held on 26-09-2014 till the conclusion of 35th Annual General Meeting. As such, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had re-appointed him and recommended him to be re-appointed by the Shareholders by way of a Special Resolution in the ensuing Annual General Meeting, for a Second term upto 31-03-2024.

In compliance with the provisions of Section 149 of the Act read with Schedule IV to the Act and Regulation 17 (1A) of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Dilbag Singh Sidhu as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Dilbag Singh Sidhu is appointed as an Independent Director of the Company by the Shareholders for a Second term up to 31-03-2024. The Board recommends the Special Resolution at Item No. 7 of this Notice for approval of the Members.

Except Mr. Dilbag Singh Sidhu, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 7 of the Notice, except and to the extent of their shareholding in the Company. Mr. Dilbag Singh Sidhu should be treated as interested in this resolution to the extent of benefits arising out of this resolution.

The information as required under para 1.2.5 of Secretarial Standard -2 and Regulation 36(3) of the SEBI (LODR) Regulations, 2015 is given under **Annexure 3** at the end of this Explanatory Statement. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

ITEM NO. 8

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Vigyan Prakash Arora (DIN 00806647) as an Independent Director, for a second term from October 1, 2019 to March 31, 2024, not liable to retire by rotation as explained in the Resolution set out at item no. 7. Mr. Vigyan Prakash Arora was appointed as Independent Director at the 30th Annual General Meeting (“AGM”) of the Company and holds office up to the ensuing Annual General Meeting. The Company has, in terms of Section 160(1) of the Act received in writing a notice from him, proposing his candidature for the office of Director. The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Vigyan Prakash Arora would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

In the opinion of the Board, he fulfills the conditions specified in the Companies Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Mr. Vigyan Prakash Arora is a Chartered Accountant by profession and is having a rich & varied experience of 21 years. He is 49 years of age and lives in Panchkula (Haryana). His expertise is in Finance, Accounts and Taxation. Further, Mr. Vigyan Prakash Arora shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013. The Company has received following declarations from him in writing:-

- a. Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, signifying his consent to act as Independent Director of the Company.
- b. A declaration that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(1) (b) and 25 of the Listing Regulations
- c. A declaration in terms of Section 164 of the Companies Act, 2013 that he is not disqualified from being appointed as Director

As on date, Mr. Vigyan Prakash Arora holds Nil Equity Shares in the Company and does not hold any Stock Options.

A copy of the draft letter for re-appointment of Mr. Vigyan Prakash Arora setting out the terms and conditions of re-appointment is available for inspection during the normal business hours on any working day except Sundays and Holidays and will also be kept open at the venue of the AGM till the conclusion of the AGM

As per the provisions of Section 149 (10) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. Further, as per the explanation provided under Section 149 (11), for the purposes of sub-sections (10) and (11), any tenure of an independent director on the date of commencement of the Act shall not be counted as a term under those sub-sections. Mr. Vigyan Prakash Arora had been appointed on the Board on 01-04-2010 as an Independent Director and after the commencement of the Companies Act, 2013, was appointed for a term of 5 years by the Members of the Company in their 30th Annual General Meeting held on 26-09-2014 till the conclusion of 35th Annual General Meeting. As such, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had re-appointed him and recommended him to be re-appointed by the Shareholders by way of a Special Resolution in the ensuing Annual General Meeting, for a Second term upto 31-03-2024.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Vigyan Prakash Arora as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Vigyan Prakash Arora is appointed as Independent Director of the Company by the Shareholders for a Second term up to 31-03-2024.

The Board recommends the Special Resolution at Item No. 8 of this Notice for approval of the Members. Except Mr. Vigyan Prakash Arora, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 8 of the Notice, except and to the extent of their shareholding in the Company. Mr. Vigyan Prakash Arora should be treated as interested in this resolution to the extent of benefits arising out of this resolution.

The information as required under para 1.2.5 of Secretarial Standard -2 and Regulation 36(3) of the SEBI (LODR) Regulations, 2015 is given under **Annexure 4** at the end of this Explanatory Statement. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

ITEM NO. 9

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Ajay Arora (DIN 00314161) as an Independent Director, for a second term from October 1, 2019 to March 31, 2024, not liable to retire by rotation as explained in the Resolution set out at item no. 9. Mr. Ajay Arora was appointed as Independent Director at the 30th Annual General Meeting ("AGM") of the Company and holds office up to the ensuing Annual General Meeting. The Company has, in terms of Section 160(1) of the Act received in writing a notice from him, proposing his candidature for the office of Director. The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Ajay Arora would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

In the opinion of the Board, he fulfills the conditions specified in the Companies Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Mr. Ajay Arora is a Company Secretary by profession and is also a Law Graduate. He is having a rich & varied experience of more than 24 years. He is 59 years of age and lives in Chandigarh. His expertise is in Corporate Affairs, Corporate Laws, Corporate restructuring, Corporate Governance, Financial matters. Further, Mr. Ajay Arora shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013. The Company has received following declarations from him in writing:-

- a. Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, signifying his consent to act as Independent Director of the Company.
- b. A declaration that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(1) (b) and 25 of the Listing Regulations
- c. A declaration in terms of Section 164 of the Companies Act, 2013 that he is not disqualified from being appointed as Director

As on date, Mr. Ajay Arora holds Nil Equity Shares in the Company and does not hold any Stock Options. A copy of the draft letter for re-appointment of Mr. Ajay Arora setting out the terms and conditions of re-appointment is available for inspection during the normal business hours on any working day except Sundays and Holidays and will also be kept open at the venue of the AGM till the conclusion of the AGM. As per the provisions of Section 149 (10) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. Mr. Ajay Arora had been appointed on the Board on 27-05-2014 as an Independent Director and was appointed for a term of 5 years by the Members of the Company in their 30th Annual General Meeting held on 26-09-2014 till the conclusion of 35th Annual General Meeting. As such, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had re-appointed him and

recommended him to be re-appointed by the Shareholders by way of a Special Resolution in the ensuing Annual General Meeting, for a Second term upto 31-03-2024.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Ajay Arora as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Ajay Arora is appointed as Independent Director of the Company by the Shareholders for a Second term up to 31-03-2024.

The Board recommends the Special Resolution at Item No. 9 of this Notice for approval of the Members. Except Mr. Ajay Arora, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 9 of the Notice, except and to the extent of their shareholding in the Company. Mr. Ajay Arora should be treated as interested in this resolution to the extent of benefits arising out of this resolution.

The information as required under para 1.2.5 of Secretarial Standard -2 and Regulation 36(3) of the SEBI (LODR) Regulations, **2015** is given under **Annexure-5** at the end of this Explanatory Statement. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

Place: Chandigarh
Date: August 6, 2019

By order of the Board of Directors
For **PAUL MERCHANTS LIMITED**

SD/-
HARDAM SINGH
(COMPANY SECRETARY)
FCS – 5046
12-D, Angel Apartments,
Zirakpur (Pb)-140603

Annexure 1-A**INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED**

Name of Director	Mr. Sat Paul Bansal
Date of First (Original) Appointment on the Board:	27-09-1990
Date of Birth, Age	22-07-1947, 72 Years
Designation	Chairman Cum Managing Director
It is proposed to re-appoint Mr. Sat Paul Bansal as Chairman Cum Managing Director of the Company for another term of 5 years i.e. w.e.f. 01-04-2019 till 31.03.2024 and to approve his remuneration for 3 years, as set out in the Special Resolution at Item no. 5 of the Notice and as explained in the Explanatory Statement to the said item.	
Expertise including experience in Specific Functional Area:	
Mr. Sat Paul Bansal is 72 years of age and a Graduate in Arts and has been associated with Paul Merchants Limited for over 29 years. He has overall experience of around 50 years which covers almost every facet of business. He is the Promoter Director & Chairman Cum Managing Director of the Company and ever since joining the Company especially after becoming the Managing Director of the Company, has been spearheading all the activities of the Company. He has been leading the formulation of strategy, corporate Policy, Corporate objectives and decision making process of Board through his active participation.	
Terms and Conditions of Re-appointment and Remuneration:	
Term	Mr. Sat Paul Bansal is proposed to be re-appointed as Chairman Cum Managing Director by the Shareholders of the Company in the ensuing Annual General Meeting, for a period of 5 years w.e.f. 01-04-2019 till 31.03.2024. His remuneration is proposed to be approved for 3 years. His office is not liable to retirement by rotation.
Remuneration	His last drawn remuneration during FY 2018-19 is as given below:- a. Rs. 12,00,000/- (Rupees Twelve Lakhs Only) per Month. b. Commission upto 2% of the Net Profits of the Company earned during any Financial Year based upon his performance as decided by the Nomination and Remuneration Committee of the Board. However, no amount of Commission has been paid to him for the FY 2018-19. c. A One Time Special Incentive of Rs. 7,20,00,000/- (Rupees Seven Crores Twenty Lakhs Only) had been approved by the Shareholders by way of Postal Ballot Process, out of which one instalment of Rs. 3,60,00,000/- (Rupees Three Crores Sixty Lakhs Only) had been paid to him during FY 2018-19
Remuneration sought to paid	As stated in Special Resolution set out at Item no. 5 of the Notice
Qualification	Graduate in Arts
List of Other Directorships:-	
1	Paul Overseas Pvt. Ltd.
2	Paul Energy Projects Pvt. Ltd.
3	Paul Merchants Finance (P) Ltd (formerly known as Paul Fincap Pvt. Ltd.)
4	Paul Excursions Pvt. Ltd.
5	Paul Fast Remit Pvt. Ltd.
6	PML Realtors Pvt. Ltd.
7	PML Holidays Pvt. Ltd.
8	Horizon Remit Bhd. Sdn., Malaysia

9	NAMSAT Financial Services Private Limited	
Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited	
Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd	Chairman of Executive Committee	
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	NIL	
Shareholding in the Company	Holding Nil Equity shares in his name as on date. He held 201100 Equity shares in the Company as on 31-03-2019. He has transferred his entire shareholding in the Company i.e. 201100 Equity shares to his wife Mrs Sarita Rani Bansal on 24-05-2019 on family settlement basis.	
Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-		
Mr. Sat Paul Bansal is husband of Mrs. Sarita Rani Bansal, Director of the Company. He is father of Mr. Rajneesh Bansal, Executive Director and Mr. Sandeep Bansal, Director of the Company. He is not related to any other Director, Manager or other Key Managerial Personnel of the Company.		
No. of Meetings of Board attended during the FY 2018-19	5	

Justification for Appointment and Remuneration:-

Mr. Sat Paul Bansal has over 29 years of diverse experience in the Company and as a Promoter Director, has played monumental role in the growth and expansion of the Company since joining. He has been playing a very active role in guiding and supervising all departments of the Company. As he is proposed to be re-appointed for another term of 5 years and no hike is being granted to him in his remuneration, which is being kept at the present level only, his remuneration is also justified considering the role he plays in the Organization. Further, Nomination and Remuneration Committee as well as Audit Committee has approved his re-appointment as well as remuneration.

Annexure 1-B

The following detailed information as per Part– II of Schedule V is as follows:

I. General information:				
(1) Nature of industry	The Company operates principally in three business verticals Foreign Exchange, International Money Transfer and Tours & Travels.			
(2) Date or expected date of commencement of commercial production	The Company is already in existence, doing commercial operations since the year 1984. The Company had been granted Certificate of Commencement on 23rd July, 1984			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
(4) Financial performance based on given indicators	STANDALONE BASIS:-			
	PARTICULARS	FY 2016-17	FY 2017-18	FY 2018-19
	Total Income	28,96,47,37,066	45,50,37,58,539	49,11,40,71,103
	Earnings before Interest, Depreciation and Tax (from Continued operation)	14,28,48,780	24,90,91,212	17,65,08,096
	Profit from Continued Operations before Tax	10,13,73,194	20,65,07,796	14,28,76,345
	Profit from Discontinued Operations before Tax	23,26,53,483	2,59,75,475	-
	Gain on Sale of Business Segment before Tax	-	2,55,66,50,931	-
	Total Profit before Tax	33,40,26,677	2,78,91,34,202	14,28,76,345
	Total Profit after Tax	12,70,11,118	2,13,08,89,806	15,05,13,276
	Total Comprehensive Income	12,45,11,017	2,13,03,52,344	15,12,45,132
	CONSOLIDATED BASIS			
	PARTICULARS	FY 2016-17	FY 2017-18	FY 2018-19
	Total Income	28,96,47,37,066	45,55,65,05,874	49,29,89,18,083
	Earnings before Interest, Depreciation and Tax (from continued Operations)	14,40,42,320	26,19,39,555	28,23,00,742
	Profit from Continued Operations before Tax	10,13,73,194	21,23,02,526	23,96,12,533
	Profit from Discontinued Operations before Tax	23,26,53,483	2,59,75,475	-
	Gain on Sale of Business Segment before Tax	-	2,55,66,50,931	-
	Share in Profit of JV	11,93,540	8,37,009	9,01,480
	Total Profit before Tax	33,52,20,217	2,79,57,65,940	24,05,14,013
	Total Profit after Tax	12,82,04,659	2,13,58,94,706	22,07,95,442
Total Comprehensive Income	12,57,04,557	2,13,53,57,244	22,08,46,932	

(5) Foreign investments collaborations, if any.	The share capital of the Company is entirely held by domestic Indian Bodies Corporate and Individuals, barring a fractional shareholding (0.03%) by NRI shareholders. Further, the Company has a Joint venture in Malaysia having 19.424% (Previous Year 19.424%) Equity stake in the said Joint Venture Company known as M/s Horizon Remit SDN BHD (formerly known as M/s Prabhu Remit SDN BHD). Weizmann Forex Ltd (CIN L65990MH1985PLC037697), Transcorp Enterprises Limited (CIN U65922RJ1995PLC010050) and Western Union Processing Limited, an Irish Limited Liability Company are the other partners in the said Joint Venture Company.
II. Information about the appointee:	
(1) Background details	Mr. Sat Paul Bansal is 72 years of age and a Graduate in Arts. He has been associated with the Company Paul Merchants Limited for over 29 years. He is the Promoter Director & Chairman Cum Managing Director of the Company. He is in overall supervision of all the business activities and departments of the Company.
(2) Past remuneration	His remuneration during FY 2018-19 is as follows: a. Rs. 12,00,000/- (Rupees Twelve Lakhs Only) per month; b. Commission upto 2% of the Net Profits of the Company earned during the financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board. However, no amount of Commission has been paid to him for the FY 2018-19. c. A One Time Special Incentive of Rs. 7,20,00,000/- (Rupees Seven Crores Twenty Lakhs Only) had been approved by the Shareholders by way of Postal Ballot Process, out of which one instalment of Rs. 3,60,00,000/- (Rupees Three Crores Sixty Lakhs Only) had been paid to him during FY 2018-19.
(3) Recognition or awards	a. Certificate of Mayoral Appreciation by the Municipal Corporation Chandigarh for providing exceptional support to Poverty Alleviation Programme b. "Achievers of the North" by Times of India c. "Game Changer" Award by Wonderlust
(4) Job profile and his suitability	Sh. Sat Paul Bansal, Chairman cum Managing Director is associated with the Company since 1990. His responsibilities as Chairman cum Managing Director of the Company include executing business strategy and managing the organisation's overall performance and growth. Ever since his joining in the Company especially after becoming the Managing Director of the Company, he has been spearheading all the activities of the Company. Mr. Sat Paul Bansal has over 29 years of diverse experience in the Company and as a Promoter Director, has played monumental role in the growth and expansion of the Company. Keeping in view his excellent performance, the Board considers him as best suitable candidate for this job.
(5) Remuneration proposed	The Remuneration proposed to be paid to Sh. Sat Paul Bansal is as per the details set out in the Special Resolution at Item No. 5 of the Notice.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	There are no set standards for remuneration in the industry. The executive remuneration in the industry has been increasing significantly in last few years. Keeping in view the type /trends in the industry, size of the Company, the profile and responsibilities shouldered by Sh. Sat Paul Bansal, the Board believes that the remuneration proposed to be paid to him as Chairman and Managing Director is appropriate and commensurate with the industry standards. Further the remuneration proposed to be paid to him is in accordance with the Nomination and Remuneration Policy of the Company and as per the approval and recommendation of Nomination and Remuneration Committee of the Board.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Sh. Sat Paul Bansal's pecuniary relationship with the Company during the FY 2018-19 is detailed in Annexure 1-B-(a) to this report. He holds Nil Equity shares in his name in the Share Capital of the Company as on date Mr. Sat Paul Bansal is husband of Mrs. Sarita Rani Bansal, Director of the Company. He is father of Mr. Rajneesh Bansal, Executive Director and Mr. Sandeep Bansal, Director of the Company. He is not related to any other Director, Manager or other Key Managerial Personnel of the Company.
III. Other information:	

(1) Reasons of loss or inadequate profits	The Company has been a consistent performer for the last almost two decades. However, the profit margins may remain inadequate particularly for the purpose of paying Managerial Remuneration due to the fact that in FY 2017-18, the Company sold its MTSS Division which was a prime contributor to the Revenues of the Company. At the moment, a major investment of the funds of the Company is in its Wholly Owned Subsidiary M/s Paul Merchants Finance (P) Ltd, which is in Gold Loan business and is doing fairly well in terms of Revenue and expansion. Further, the focus of the Company is to grow Forex and Travel Verticals and in the transitory period, there may be some strain on the profits of the Company.
(2) Steps taken or proposed to be taken for improvement	<p>a. The Company has already started pursuing growth of Forex and Travel Verticals of the Company with a focused approach.</p> <p>b. The sale proceeds received from sale of MTSS Division of the Company have been channelized in productive avenues.</p> <p>c. Rationalization of unproductive expense heads is already underway</p>
(3) Expected increase in productivity and profits in measurable terms	The objective and focus of the Board of Directors is to take the Company to heights in Forex and Travel Division. Towards this end, the company has already put in place the required roadmap and in the backdrop of the re-engineered business model, it is hoped to sustain the profitability in the FY 2019-20 and thereafter to grow its profitability in the vicinity of 15-25%.

Annexure – 1-B(a)

Salary & Commission Paid to him	Duration of Contract (Tenure)	Amount paid during the FY
	From 01.04.2014 31.03.2019	Rs 1,44,00,000/- as Salary and Rs. 3,60,00,000/- (Part Payment of Special Incentive). No amount of Commission has been paid to him for the FY 2018-19.

Acquisition of Equity Shares of Paul Merchants Finance (P) Ltd. from him by the Company.		
Particulars	Duration of Contract	Amount paid during the FY
Acquisition of 843517 Equity Shares of Paul Merchants Finance (P) Ltd. from Sh. Sat Paul Bansal by the Company @ Rs. 48.81/- per share	Stand alone Transaction	Rs. 4,11,72,113/-

Annexure 1-C**TO WHOM SO EVER THIS MAY CONCERN**

As per information, explanations and confirmations provided to us, we are of the opinion that the following Remuneration proposed to be paid to Mr. Sat Paul Bansal (DIN 00077499), Chairman Cum Managing Director of Paul Merchants Limited for a period of three (3) years with effect from 01-04-2019 alongwith other additional Terms and Conditions as described below is fair and at Arm's Length:-

REMUNERATION:

- a. **Salary:-** Rs.12,00,000/- (Rupees Twelve Lakhs Only) per month.
- b. **Commission:-** upto 2% of the Net Profits of the Company earned during any financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board.
- c. **Benefits:-** No other benefits, bonuses, stock options, pension, emoluments, allowances etc.
- d. **Service Contract period:-** 5 years i.e. from 01-04-2019 till 31-03-2024
- e. **Remuneration period :-** 3 years i.e. from 01-04-2019 till 31-03-2022
- f. **Notice Period:-** Three months.
- g. **Severance Fees:-** No severance fees is payable to him.

ADDITIONAL TERMS AND CONDITIONS:

- a. In the event of absence or inadequacy of profits in any financial year, Mr. Sat Paul Bansal (DIN 00077499) will be paid the salary and perquisites as specified above subject to the provisions of Schedule V of the Companies Act, 2013.
- b. With the payment of Remuneration as above to Mr. Sat Paul Bansal, the Chairman Cum Managing Director, the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year

**For JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.- 01361N**

**Sd/-
(NEERAJ JAIN)
PARTNER
M. No. 089477
Date: 24/07/2019
Place: Chandigarh**

Annexure 2-A

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE SEBI (LODR) REGULATION S, 2015 AND SECRETARIAL STANDARDS INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED

Name of Director	Mr. Dharam Pal Sharma	
Date of First (Original) Appointment the Board:	09-11-2015	
Date of Birth, Age	04-10-1954, 64 Years	
Designation	Whole Time Director	
Expertise including experience in Specific Functional Area:		
<p>Worked with Reserve Bank of India for more than 35 years & retired as General Manager in October, 2014. While working with RBI, served in key areas such as Banking Supervision, Foreign Exchange Management and Human Resource Development. He also served as Administrator (Head) in international training program, Pune which is the training centre jointly run by International Monetary Fund (IMF) and RBI. While working with the Company as Designated Director, he has been playing a valuable role of supervising compliance by the Company with RBI, AML/KYC Regulations applicable to the business activities of the Company.</p>		
Terms and conditions of appointment and remuneration:		
Term	Shareholders of the Company in their Annual General meeting held on 28.09.2016 had appointed Mr. Dharam Pal Sharma (DIN: 07284332) w.e.f. 09.11.2015 to hold office for a term upto 31 st March, 2020. His office is liable to retirement by rotation.	
Remuneration	His last drawn remuneration is as given below:- Rs.8,45,038/- during the FY 2018-19	
Remuneration sought to be paid	As stated in Special Resolution set out at Item no. 6 of the Notice	
Qualification	M.A. (Economics), Certified Associate of Indian Institute of Bankers (Part I), Diploma in Office Organization, Diploma in Business Management	
List of Other Directorships:- NIL		
Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited	
Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd	NIL	
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	NIL	
Shareholding in the Company	Holding NIL Equity shares in his name or in the name of his relatives as on date.	
Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-		
Mr. Dharam Pal Sharma is not related to any Director, Manager or Key Managerial Personnel of the Company		
No. of Meetings of Board attended during the FY 2018-19	3	
Justification for Remuneration:-		
<p>Mr. Dharam Pal Sharma has over 35 years of diverse experience while working with Reserve Bank of India and his experience of working in the departments like Banking Supervision, Foreign Exchange Management and Human Resource Development is very much relevant with the activities of the Company. While working with the Company as Designated Director, he has been playing a valuable role of supervising compliance by the Company with RBI, AML/KYC Regulations applicable to the business activities of the Company. As such, Board is of the opinion that he will provide useful value addition to the decision making process of the Board.</p>		

Annexure 2-B

The following detailed information as per Part– II of Schedule V is as follows:

I. General information:				
(1) Nature of industry	The Company operates principally in three business verticals Foreign Exchange, International Money Transfer and Tours & Travels.			
(2) Date or expected date of commencement of commercial production	The Company is already in existence, doing commercial operations since the year 1984. The Company had been granted Certificate of Commencement on 23rd July, 1984			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
(4) Financial performance based on given indicators	STANDALONE BASIS:-			
	PARTICULARS	FY 2016-17	FY 2017-18	FY 2018-19
	Total Income	28,96,47,37,066	45,50,37,58,539	49,11,40,71,103
	Earnings before Interest, Depreciation and Tax (from Continued operation)	14,28,48,780	24,90,91,212	17,65,08,096
	Profit from Continued Operations before Tax	10,13,73,194	20,65,07,796	14,28,76,365
	Profit from Discontinued Operations before Tax	23,26,53,483	2,59,75,475	-
	Gain on Sale of Business Segment before Tax	-	2,55,66,50,931	-
	Total Profit before Tax	33,40,26,677	2,78,91,34,202	14,28,76,365
	Total Profit after Tax	12,70,11,118	2,13,08,89,806	15,05,13,276
	Total Comprehensive Income	12,45,11,017	2,13,03,52,344	15,12,45,132
	CONSOLIDATED BASIS			
	PARTICULARS	FY 2016-17	FY 2017-18	FY 2018-19
	Total Income	28,96,47,37,066	45,55,65,05,874	49,29,89,18,083
	Earnings before Interest, Depreciation and Tax (from continued Operations)	14,40,42,320	26,19,39,555	28,23,00,742
	Profit from Continued Operations before Tax	10,13,73,194	21,23,02,526	23,96,12,533
	Profit from Discontinued Operations before Tax	23,26,53,483	2,59,75,475	-
	Gain on Sale of Business Segment before Tax	-	2,55,66,50,931	-
	Share in Profit of JV	11,93,540	8,37,009	9,01,480
	Total Profit before Tax	33,52,20,217	2,79,57,65,940	24,05,14,013
	Total Profit after Tax	12,82,04,659	2,13,58,94,706	22,07,95,442

	Total Comprehensive Income	12,57,04,557	2,13,53,57,244	22,08,46,932
(5) Foreign investments collaborations, if any.	The share capital of the Company is entirely held by domestic Indian Bodies Corporate and Individuals, barring a fractional shareholding (0.03%) by NRI shareholders. Further, the Company has a Joint venture in Malaysia having 19.424% (Previous Year 19.424%) Equity stake in the said Joint Venture known as M/s Horizon Remit SDN BHD (formally M/s Prabhu Remit SDN BHD). Weizmann Forex Ltd (CIN L65990MH1985PLC037697), Transcorp Enterprises Limited (CIN U65922RJ1995PLC010050) and Western Union Processing Limited, an Irish Limited Liability Company are the other partners in the said Joint Venture Company.			
II. Information about the appointee:				
(1) Background details	Sh. Dharam Pal Sharma is aged about 64 years and have educational qualification of M.A. (Economics), Certified Associate of Indian Institute of Bankers (Part I), Diploma in Office Organization, Diploma in Business Management. He has been associated with the Company Paul Merchants Limited since 09.11.2015. He is a Whole Time Director of the Company. He is in overall supervision of the Compliance department of the Company.			
(2) Past remuneration	Remuneration paid to him during FY 2018-19 is as follows: a. Annual Remuneration: Rs. 736929/- b. Annual Performance Bonus: Rs. 26932/- c. Annual Incentive: Rs. 81,177/-			
(3) Recognition or awards	Nil			
(4) Job profile and his suitability	Sh. Dharam Pal Sharma, Whole Time Director (DIN 07284332) is associated with the Company since November, 2015. His responsibilities as Whole Time Director of the Company includes handling compliances relating to Anti Money Laundering Regulations, KYC Norms, RBI Act and allied activities with respect to business activities of the Company. Sh. Dharam Pal Sharma has over 35 years of diverse experience while working with Reserve Bank of India and his experience of working in the departments like Banking Supervision, Foreign Exchange Management and Human Resource Development is very much relevant with the activities of the Company. As such, Board is of the opinion that he provides useful value addition to the decision making process of the Board. Keeping in view his excellent performance, the performance evaluation done by Nomination and Remuneration Committee and the Board, the Board considers him as a suitable candidate for this job.			
(5) Remuneration proposed	The Remuneration proposed to be paid to Sh. Dharam Pal Sharma is as per the details set out in the Special Resolution at Item No. 6 of the Notice.			
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	There are no set standards for remuneration in the industry. The executive remuneration in the industry has been increasing significantly in last few years. Keeping in view the type /trends in the industry, size of the Company, the profile and responsibilities shouldered by Sh. Dharam Pal Sharma, the Board believes that the remuneration proposed to be paid to him as Whole Time Director is appropriate and commensurate with the industry standards. Further the remuneration proposed to be paid to him is in accordance with the Nomination and Remuneration Policy of the Company and as per the approval and recommendation of Nomination and Remuneration Committee of the Board.			
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Sh. Dharam Pal Sharma's pecuniary relationship with the Company during the FY 2018-19 is detailed in Annexure 2-B-(a) to this report. He holds NIL Equity shares in his name or in the name of relatives in the Share Capital of the Company.			
III. Other information:				
(1) Reasons of loss or inadequate profits	The Company has been a consistent performer for the last almost two decades. However, the profit margins may remain inadequate particularly for the purpose of paying managerial remuneration due to the fact that in FY 2017-18, the Company sold its MTSS Division which was a prime contributor to the Revenues of the			

	Company. At the moment, a major investment of the funds of the Company is in its Wholly Owned Subsidiary M/s Paul Merchants Finance (P) Ltd, which is in Gold Loan business and is doing fairly well in terms of Revenue and expansion. Further, the focus of the Company is to grow Forex and Travel Verticals and in the transitory period, there may be some strain on the profits of the Company.
(2) Steps taken or proposed to be taken for improvement	<p>a. The Company has already started pursuing growth of Forex and Travel Verticals of the Company with a focused approach.</p> <p>b. The sale proceeds received from sale of MTSS Division of the Company have been channelized in productive avenues.</p> <p>c. Rationalization of unproductive expense heads is already underway</p>
(3) Expected increase in productivity and profits in measurable terms	The objective and focus of the Board of Directors is to take the Company to heights in Forex and Travel Division. Towards this end, the company has already put in place the required roadmap and in the backdrop of the re-engineered business model, it is hoped to sustain the profitability in the FY 2019-20 and thereafter to grow its profitability in the vicinity of 15-25%.

Annexure – 2-B(a) Sh. Dharam Pal Sharma

Salary & Commission Paid to him	Duration of Contract (Tenure)	Amount paid during the FY 2018-19
	From 09.11.2015 to 31.03.2020	Rs. 8,45,038/- (includes Salary, Leave Encashment, Incentive & Performance Bonus). No amount of Commission has been paid to him during the y year.

Annexure -2-C**TO WHOM SO EVER THIS MAY CONCERN**

As per information, explanations and confirmations provided to us, we are of the opinion that the following Remuneration proposed to be paid to Mr. Dharam Pal Sharma (DIN 07284332), Whole Time Director of Paul Merchants Limited w.e.f. 01.04.2019 for his remaining tenure alongwith other additional Terms and Conditions as described below is fair and at Arm's Length:-

REMUNERATION:

- a. **Salary:** - Within the range of Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand Only) per annum to Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) per annum
- b. **Benefits:-** Performance Bonus within the above ceiling, as decided by Nomination and Remuneration Committee of the Board. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. will be payable to him during the term.
- c. **Other Benefits:-** Leave Encashment within the above ceiling as per the Company's Policy and Gratuity as per Payment of Gratuity Act;
- d. **Service Contract period:-** From 09-11-2015 till 31-03-2020;
- e. **Notice Period:-** Two months;
- f. **Severance Fees:-** No severance fees is payable;
- g. **Fixed Component:** Fixed component is his salary;
- h. **Performance Linked Incentive:-** Performance Linked Incentive within the above ceiling, as decided by Nomination and Remuneration Committee of the Board;

Other Terms:-

- a. In the event of absence or inadequacy of profits in any financial year, Mr. Dharam Pal Sharma (DIN 07284332) will be paid the salary and perquisites as specified above subject to the provisions of Schedule V of the Companies Act, 2013.
- b. With the payment of Remuneration as above to Mr. Dharam Pal Sharma (DIN 07284332), the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year

**For JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.- 01361N**

**Sd/-
(NEERAJ JAIN)
PARTNER
M. No. 089477
Date: 24/07/2019
Place: Chandigarh**

Annexure-3

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED

Name of Director	Sh. Dilbag Singh Sidhu
Date of First (Original) Appointment on the Board:	26-02-2012
Date of Birth, Age	15-04-1946, 73 Years
Designation	Independent Director
It is proposed to re-appoint Sh. Dilbag Singh Sidhu as Independent Director of the Company for another term upto 31-03-2024, as set out in the Special Resolution at Item no. 7 of the Notice and as explained in the Explanatory Statement to the said item.	
Expertise including experience in Specific Functional Area:	
Sh. Dilbag Singh Sidhu has educational qualification of M.A., LLB and he has been associated with the Income Tax Department and retired as Chief Commissioner from the Income Tax Department and has overall 47 Years of rich experience to his credit. As member of the Board, Member of Audit Committee and as Chairman of Nomination and Remuneration Committee of the Board, he has been contributing immensely to the decision making process of the Company.	
Terms and Conditions of Re-appointment and Remuneration:	
Term	Sh. Dilbag Singh Sidhu is proposed to be re-appointed as Independent Director by the Shareholders of the Company in the ensuing Annual General Meeting, for another term upto 31-03-2024. His office is not liable to retirement by rotation.
Remuneration	His last drawn sitting fees during FY 2018-19 is as given below:- A sum of Rs. 90,000/- has been paid to him in the Financial Year 2018-19 for attending meetings of the Board and its Committees, in which he is a member. In addition, reimbursement of actual traveling expenses had been made to him for attending meetings of the Board and its Committees, of which he is a member.
Remuneration sought to be paid	He will be paid sitting fee for attending meetings of the Board and its Committees, in which he is a member. Further, reimbursement of actual traveling expenses will be made to him for attending meetings of the Board and its Committees, of which he is a member.
Qualification	M.A. & LLB
List of Other Directorships:-	
NIL	
Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited
Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd	Chairmanship in Nomination & Remuneration Committee Membership in (1) Audit Committee, and (2) Nomination & Remuneration Committee.
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	NIL

Shareholding in the Company	Holding NIL Equity shares in his name or in the name of his relatives as on date.
Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-	
Sh. Dilbag Singh Sidhu is not related to any Director, Manager or Key Managerial Personnel of the Company	
No. of Meetings of Board attended during the FY 2018-19	5

Justification for Appointment and Remuneration:-
Sh. Dilbag Singh Sidhu has been associated with the Income Tax Department and retired as Chief Commissioner from the Income Tax Department. He has been associated with the Company Paul Merchants Limited as Independent Director since 26.02.2012. He has been playing an exceptional role as a Member of the Board, Member of the Audit Committee and as Chairman of the Nomination and Remuneration Committee. His performance evaluation has been done by the Nomination and Remuneration Committee as well as by the Board. Keeping in view his vast experience and knowledge, the Board is of the opinion that he will provide useful value addition to the decision making process of the Board and as such his re-appointment as Independent Director and his Siting fee being paid to him is justified.
Summary of performance evaluation
The performance evaluation of Sh. Dilbag Singh Sidhu had been carried by the Nomination and Remuneration Committee as well as by the Board of Directors. Based upon the parameters like his attendance in the Board Meetings, Committee meetings, his qualification and experience in the light of the criteria laid down in the Nomination and Remuneration Policy of the Company, his performance was found to be satisfactory and the Nomination and Remuneration Committee as well as the Board of Directors of the Company were of the view that the re-appointment as well as continuation of Sh. Dilbag Singh Sidhu beyond 75 years of age as Independent Director of the Company shall be in the best interests of the Company.

Annexure 4

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED

Name of Director	Sh. Vigyan Prakash Arora
Date of First (Original) Appointment on the Board:	01-04-2010
Date of Birth, Age	19-11-1969, 49 Years
Designation	Independent Director
It is proposed to re-appoint Sh. Vigyan Prakash Arora as Independent Director of the Company for another term upto 31-03-2024, as set out in the Special Resolution at Item no. 8 of the Notice and as explained in the Explanatory Statement to the said item.	
Expertise including experience in Specific Functional Area:	
Sh. Vigyan Prakash Arora is a Chartered Accountant by profession and is having a rich & varied experience of 21 years. He is 49 years of age and lives in Panchkula (Haryana). His expertise is in Finance, Accounts and Taxation. He had been appointed as Non-Executive Independent Director of the Company w.e.f. 01.04.2010. As member of the Board, Chairman of Audit Committee, Chairman of Stakeholders' Relationship Committee, Member of Nomination and Remuneration Committee and Member of CSR Committee of the Board, he has been contributing immensely to the decision making process of the Company.	
Terms and Conditions of Re-appointment and Remuneration:	
Term	Sh. Vigyan Prakash Arora is proposed to be re-appointed as Independent Director by the Shareholders of the Company in the ensuing Annual General Meeting, for another term upto 31-03-2024. His office is not liable to retirement by rotation.
Remuneration	His last drawn sitting fees is as given below:- A sum of Rs. 42,500/- has been paid to him in the Financial Year 2018-19 for attending meetings of the Board and its Committees, in which he is a member.
Remuneration sought to be paid	He will be paid sitting fee for attending meetings of the Board and its Committees, in which he is a member. Further, reimbursement of actual traveling expenses, if any, will be made to him for attending meetings of the Board and its Committees, of which he is a member.
Qualification	Chartered Accountant
List of Other Directorships:-	
1. PAN PLAST PRIVATE LIMITED	
2. PAUL MERCHANTS FINANCE PRIVATE LIMITED	
3. PML REALTORS PRIVATE LIMITED	
Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited
Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd	Chairmanship in (1) Audit Committee and (2) Stakeholders Relationship Committee Membership in (1) Audit Committee, (2) Stakeholders Relationship Committee, (3) Nomination & Remuneration Committee and (4) CSR Committee

<p>Chairmanship/Membership of the Committees of the Board of Directors of other Companies</p>	<p>Chairmanship of (1) Audit Committee, and (2) Nomination & Remuneration Committee of M/s PML Realtors (Pvt.) Ltd.</p> <p>Chairmanship of Audit Committee of M/s Paul Merchants Finance Private Limited</p> <p>Membership in (1) Audit Committee, and (2) Nomination & Remuneration Committee of M/s PML Realtors (Pvt.) Limited</p> <p>Membership in (1) Audit Committee, and (2) Nomination & Remuneration Committee of M/s Paul Merchants Finance (Pvt.) Limited</p>
<p>Shareholding in the Company</p>	<p>Holding NIL Equity shares in his name or in the name of his relatives as on date.</p>
<p>Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-</p> <p>Sh. Vigyan Prakash Arora is not related to any Director, Manager or Key Managerial Personnel of the Company</p>	
<p>No. of Meetings of Board attended during the FY 2018-19</p>	<p>5</p>

<p>Justification for Appointment and Remuneration:-</p> <p>Sh. Vigyan Prakash Arora is a Chartered Accountant by profession and is having a rich & varied experience of 21 years. His expertise is in Finance, Accounts and Taxation. He has been associated with the Company Paul Merchants Limited as Independent Director since 01-04-2010 and always proves beneficial by providing inputs for elevating the Financial functioning of the Company. He has been playing an exceptional role as a member of the Board, Chairman of Audit Committee, Chairman of Stakeholders' Relationship Committee, Member of Nomination and Remuneration Committee and Member of CSR Committee of the Board. Keeping in view his vast experience and knowledge, the Board is of the opinion that he will provide useful value addition to the decision making process of the Board and as such his re-appointment as Independent Director and his Siting fee being paid to him is justified.</p>
<p>Summary of Performance Evaluation</p> <p>The performance evaluation of Sh. Vigyan Prakash Arora had been carried by the Nomination and Remuneration Committee as well as by the Board of Directors. Based upon the parameters like his attendance in the Board Meetings, Committee meetings, his qualification and experience in the light of the criteria laid down in the Nomination and Remuneration Policy of the Company, his performance was found to be satisfactory and the Nomination and Remuneration Committee as well as the Board of Directors of the Company were of the view that the re-appointment as well as continuation of Sh. Vigyan Prakash Arora as Independent Director of the Company shall be in the best interests of the Company.</p>

Annexure-5

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED

Name of Director	Sh. Ajay Arora
Date of First (Original) Appointment on the Board:	27-05-2014
Date of Birth, Age	27-07-1960, 59 Years
Designation	Independent Director
It is proposed to re-appoint Sh. Ajay Arora as Independent Director of the Company for another term upto 31-03-2024, as set out in the Special Resolution at Item no. 9 of the Notice and as explained in the Explanatory Statement to the said item.	
Expertise including experience in Specific Functional Area:	
Sh. Ajay Arora is a Commerce Graduate and a Law Graduate from Panjab University. He is also a Fellow Member of Institute of Company Secretaries of India. Sh. Ajay Arora is a practicing Company Secretary by profession and is having a rich & varied experience of more than two decades. He is 59 years of age and lives in Chandigarh. He also serves as a consultant to many companies, including listed and un-listed, on Corporate Laws and Financial matters. He had been appointed as Non-Executive Independent Director of the Company w.e.f. 27.05.2014. As a member on the Board and Member of Audit Committee of the Board of Directors of the Company, he has been contributing immensely to the decision making process of the Company.	
Terms and Conditions of Re-appointment and Remuneration:	
Term	Sh. Ajay Arora is proposed to be re-appointed as Independent Director by the Shareholders of the Company in the ensuing Annual General Meeting, for another term upto 31-03-2024. His office is not liable to retirement by rotation.
Remuneration	His last drawn sitting fees is as given below:- A sum of Rs. 1,20,000/- (Rupees One Lakh Twenty Thousand Only) has been paid to him in the Financial Year 2018-19 for attending meetings of the Board and its Committees, in which he is a member.
Remuneration sought to be paid	He will be paid sitting fee for attending meetings of the Board and its Committees, in which he is a member. Further, reimbursement of actual travelling expenses, if any will be made to him for attending meetings of the Board and its Committees, of which he is a member.
Qualification	B.Com, LLB & Practicing Company Secretary
List of Other Directorships:-	
1. VISHAL PAPERTECH (INDIA) LIMITED	
2. SAMRAT FORGINGS LIMITED	
3. PAUL MERCHANTS FINANCE PRIVATE LIMITED	
Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited
Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd	Membership of Audit Committee
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	Chairmanship of (1) Nomination & Remuneration Committee of M/s Paul Merchants Finance (Pvt.)

	<p>Ltd. and (2) Audit Committee of M/s Samrat Forgings Limited</p> <p>Membership in (1) Audit Committee (2) Nomination & Remuneration Committee of M/s Paul Merchants Finance (Pvt.) Ltd. (3) Audit Committee of M/s Samrat Forgings Limited and (4) Nomination & Remuneration Committee of M/s Vishal Papertech (India) Limited</p>
Shareholding in the Company	Holding NIL Equity shares in his name or in the name of his relatives as on date.
Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-	
Sh. Ajay Arora is not related to any Director, Manager or Key Managerial Personnel of the Company	
No. of Meetings of Board attended during the FY 2018-19	4

Justification for Appointment and Remuneration:-

Sh. Ajay Arora is a practicing Company Secretary by profession and is having a rich & varied experience of more than two decades. He has been associated with the Company Paul Merchants Limited as Independent Director since 27-05-2014 and has been contributing immensely by his vast knowledge and experience to the decision making process of the Company. He has been playing an exceptional role as a member of the Board and Audit Committee of the Board. Keeping in view his vast experience, knowledge and his contribution, the Board is of the opinion that he will provide useful value addition to the decision making process of the Board and its Committees and as such his re-appointment as Independent Director and his sitting fee being paid to him is justified.

Summary of Performance Evaluation

The performance evaluation of Sh. Ajay Arora had been carried by the Nomination and Remuneration Committee as well as by the Board of Directors of the Company. Based upon the parameters like his attendance in the Board Meetings, Committee meetings, his qualification and experience in the light of the criteria laid down in the Nomination and Remuneration Policy of the Company, his performance was found to be satisfactory and the Nomination and Remuneration Committee as well as the Board of Directors of the Company were of the view that the re-appointment as well as continuation of Sh. Ajay Arora as Independent Director of the Company shall be in the best interests of the Company.

Annexure-6**INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED**

Name of Director	Smt. Sarita Rani Bansal
Date of First (Original) Appointment on the Board:	31.01.2012
Date of Birth, Age	08.01.1948 , 71 Years
Designation	Director
It is proposed to re-appoint Smt. Sarita Rani Bansal as a Director of the Company, who is liable to retire by rotation and being eligible, has offered herself for reappointment.	
Expertise including experience in Specific Functional Area:	
Smt. Sarita Rani Bansal is 71 years of age and has been associated with the Company for over 22 years and served as a Director of the Company from year 1992 to 2008. She was re-appointed as a Director of the Company in 2012. While working with the Company as Director, she has been lending useful inputs in Human Resource Management and Administration of the Business Activities of the Company. She is very active on Social front and supports many NGO's involved in upliftment of the poor and education of economically weaker children.	
Terms and Conditions of Re-appointment and Remuneration:	
Term	Smt. Sarita Rani Bansal, who is liable to retire by rotation is proposed to be re-appointed as a Director by the Shareholders of the Company in the ensuing Annual General Meeting,
Remuneration	NIL
Remuneration sought to be paid	NIL
Qualification	Graduate in Arts
List of Other Directorships:-	
1. DIVYA BROADCASTING NETWORK PRIVATE LIMITED	
2. PAUL E COMMERCE PRIVATE LIMITED	
3. PAUL BROADCASTING PRIVATE LIMITED	
4. PML REALTORS PRIVATE LIMITED	
Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited
Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd	NIL
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	NIL
Shareholding in the Company	Holding 345600 Equity shares in her name as on date of this report. Held 144500 Equity shares as on 31-03-2019.
Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-	
Smt. Sarita Rani Bansal is wife of Sh. Sat Paul Bansal, Chairman Cum Managing Director of the Company. She is mother of Sh. Rajneesh Bansal, Executive Director and Sh. Sandeep Bansal, Director of the Company. She is not related to any other Director, Manager or other Key Managerial Personnel of the Company.	

No. of Meetings of Board attended during the FY 2018-19
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Justification for Appointment and Remuneration:-

Smt. Sarita Rani Bansal is a Director of the Company and has been associated with the Company for over 22 years and served as a Director of the Company from year 1992 to 2008. She was re-appointed as a Director of the Company in 2012. While working with the Company as Director, she has been lending useful inputs in Human Resource Management and Administration of the Business Activities of the Company. Keeping in view her vast experience and knowledge, the Board is of the opinion that she will provide useful value addition to the decision making process of the Board and as such her re-appointment as a Director is justified.

Annexure-7

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED

Name of Director	Sh. Sandeep Bansal
Date of First (Original) Appointment on the Board:	18.09.1993
Date of Birth, Age	25.12.1970 , 48 Years
Designation	Director
It is proposed to re-appoint Sh. Sandeep Bansal as a Director of the Company, who is liable to retire by rotation and being eligible, has offered herself for reappointment.	
Expertise including experience in Specific Functional Area:	
Sh. Sandeep Bansal is 48 years of age and has been associated with the Company for over 26 years and served as a Director of the Company from year 1993 to till date. He has good leadership skills, tact and initiative in conjunction with the Company's goals & objectives. While working with the Company as a Director, he has been proficiently looking after Marketing, Advertising & other business promotion activities of the Company.	
Terms and Conditions of Re-appointment and Remuneration:	
Term	Sh. Sandeep Bansal, who is liable to retire by rotation is proposed to be re-appointed as a Director by the Shareholders of the Company in the ensuing Annual General Meeting,
Remuneration	NIL
Remuneration sought to be paid	NIL
Qualification	Graduate in Arts
List of Other Directorships:-	
1. PAUL E COMMERCE PVT. LTD.	
2. PAUL ENERGY PROJECTS PRIVATE LIMITED	
3. DIVYA BROADCASTING NETWORK PRIVATE LIMITED	
4. PAUL ENTERTAINMENTS PRIVATE LIMITED	
5. PAUL BROADCASTING PRIVATE LIMITED	
6. INX MUSIC PRIVATE LIMITED	
7. PRABHSHARANSHANTI FILMS PRIVATE LIMITED	
8. BBSM FILMS PRIVATE LIMITED	
9. NEWSCLIP MEDIA PRIVATE LIMITED	
10. STRIKEONE JOBS PRIVATE LIMITED	
11. PITAARA TALKIES PRIVATE LIMITED	
12. COLLECTIVE MEDIA VENTURES PRIVATE LIMITED	
Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited
Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd	(1) Chairman of CSR Committee of the Company (2) Member of (1) CSR Committee (2) Executive Committee & (3) Nomination & Remuneration Committee of the Company.
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	NIL
Shareholding in the Company	Holding 144507 Equity shares in his name.

Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-

Sh. Sandeep Bansal is son of Sh. Sat Paul Bansal, Chairman Cum Managing Director and Smt. Sarita Rani Bansal, Director of the Company. He is elder brother of Sh. Rajneesh Bansal, Executive Director of the Company. He is not related to any other Director, Manager or other Key Managerial Personnel of the Company.

No. of Meetings of Board attended during the FY 2018-19	5
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Justification for Appointment and Remuneration:-

Sh. Sandeep Bansal is a Director of the Company and has been associated with the Company for over 26 years and served as a Director of the Company from year 1993 to till date. He has good leadership skills, tact and initiative in conjunction with the Company's goals & objectives While working with the Company as Director, he is proficiently looking after Marketing, Advertising & other business promotion activities of the Company. Keeping in view his vast experience and knowledge, the Board is of the opinion that he will provide useful value addition to the decision making process of the Board and as such his re-appointment as a Director is justified.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting before you their 35th Annual Report together with the Audited Financial Statements of the Company for the Financial year ended 31st March, 2019.

FINANCIAL SUMMARY/HIGHLIGHTS:-

The financial summary of the Company for the year under review is given below for your consideration:-

PARTICULARS	2018-19 (Amount in Rs.)	2017-18 (Amount in Rs.)
Gross Income	49,11,40,71,103	45,50,37,58,539
Profit Before Interest and Depreciation	17,65,08,096	24,90,91,212
Interest	10,41,101	92,81,049
Profit after Interest before Depreciation	17,54,66,995	23,98,10,163
Provision for Depreciation	3,25,90,650	3,33,02,366
Exceptional Items	-	-
Net Profit Before Tax	14,28,76,345	20,65,07,796
Provision for Tax	2,22,62,613	5,59,39,211
Deferred Tax	-2,98,99,544	45,89,537
Net Profit After Tax	15,05,13,276	14,59,79,048
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	0	198,49,10,758
Other Comprehensive Income (net of tax)	7,31,855	-5,37,462
Total Comprehensive Income (net of tax) (Transferred to Reserves and Surplus)	15,12,45,132	213,03,52,344
Balance of Surplus brought forward	3,63,28,03,955	150,24,51,611
Reserves and Surplus	3,78,40,49,087	363,28,03,955
Proposed Dividend on Equity Shares	NIL	Nil

Note: * The financials for FY 2017-18 have been regrouped, wherever necessary, to make it comparable with operational results from continued business in current financial year 2018-19.

STATE OF COMPANY'S AFFAIRS/ BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/HIGHLIGHTS/OPERATIONS IN TERMS OF SECTION 134 (3)(i) OF THE COMPANIES ACT, 2013

The Company operates principally in three business verticals Foreign Exchange, International Money Transfer and Tours & Travels. During the year under review, Gross revenue from Foreign Exchange Services stood at Rs. 4848.39 Crores and from Tours & Travel Segment stood at Rs. 41.59 Crores. Gross revenue from International Money Transfer stood at Rs. 1,01,35,381/- The Profit before tax stood at Rs. 14.29 Crores and Profit after tax stood at Rs.15.05 crores from continued operations after adjusting for deferred Tax. For further details, kindly refer to the Financial Statements, Management Discussion & Analysis Report **Annexure D-3** and Corporate Governance Report **Annexure D-10** which forms part of this report.

EXTRACT OF ANNUAL RETURN

In terms of Section 134 (3)(a) of the Companies Act, 2013 (hereinafter to be referred to as Act) the extract of Annual Return as on March 31, 2019 as referred to in sub section (3) of Section 92 has been annexed to this Report as **Annexure D-3A** and the same is placed on the Website of the Company under weblink <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/08/MGT-7-and-MGT-9.pdf>

NUMBER OF MEETINGS OF BOARD

The information in terms of Section 134(3)(b) of the Act is given below:-

During the Financial year 2018-19, 5 (Five) Board Meetings were held and 1 (One) meeting of Independent Directors was held on 07.02.2019. The dates on which the Board Meetings were held are 28-05-2018, 13-08-2018, 08-10-2018, 13-11-2018, 07-02-2019. Further details as required under Part C of Schedule V to the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the Corporate Governance Report as **Annexure D-10** forming part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:-

Pursuant to Section 134 (3) (c) read over with Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors 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;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

FRAUDS REPORTED BY AUDITORS

In terms of Section 134 (3)(ca) of the Act, there are no frauds reported by auditors under sub-section (12) of section 143 including those which are reportable to the Central Government.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

It is hereby stated in terms of Section 134 (3)(d) of the Act, that all Independent Directors of the Company have given declarations that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 read over with Regulation 16(1)(B) and 25 of SEBI (LODR) Regulations, 2015.

POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION

Pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMPs and other employees is attached as **Annexure D-2** as Nomination and Remuneration Policy, which forms part of this report.

EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE —**(i) by the auditor in his report:-**

M/s Jain & Associates (Firm Regn. No. 01361N), Chartered Accountants, Chandigarh, were appointed as Statutory Auditors of the Company at the 31st Annual General Meeting held on 28th September, 2015 for a term of five consecutive years. The appointment of the Statutory Auditors had been ratified by the Shareholders in their 34th Annual General Meeting held on 27th September, 2018 upto the end of their term i.e. till the conclusion of 36th Annual General Meeting of the Company.

The Auditors' Report being self-explanatory, requires no comments from the Directors. Further, there are no reservations, qualifications, disclaimers, adverse remarks or Modified opinion in the Audit Reports issued by them in respect of Standalone as well as Consolidated Financial Statements of the Company for the Financial Year 2018-19.

(ii) by the company secretary in practice in his secretarial audit report:-

Mr. Anil Singh Negi, a Company Secretary in practice having CP no. 17213 and Membership no. 46547 was appointed as Secretarial Auditor of the Company for the financial year 2018-19 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is attached as **Annexure D-5** and forms part of this report.

There are no qualifications, reservations, adverse remarks or disclaimer by the Secretarial Auditors in the Report issued by them for the financial year 2018-19 which call for any explanation from the Board of Directors.

Further, there was no material unlisted subsidiary of the Company during the Financial Year 2018-19 under review. As such, Secretarial Audit Report of the material unlisted subsidiary is not required to be annexed to this Annual Report. It is further informed that Paul Merchants Finance (P) Ltd has become material subsidiary of the Company as defined under Regulation 16 (1) (c) of SEBI (LODR) Regulations, 2015, during the Financial Year 2019-20 on the basis of audited annual accounts for the Financial year 2018-19. As such, the compliance relating to Secretarial Audit of the said material unlisted subsidiary shall be made in the Financial Year 2019-20.

PARTICULARS OF LOANS, GUARANTEES, SECURITIES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Pursuant to Section 134(3)(g) of the Act particulars of loans, guarantees, Securities and Investments under Section 186 of the Act made during the Financial Year 2018-19 are attached as **Annexure D-8**

which forms part of this report. Further reference in this regard can be made to NOTE 2, 6, 9,10,11 and 35 to the Financial Statements for further details.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013

With reference to Section 134(3)(h) of the Act read over with Rule 8(2) of the Companies (Accounts) Rules, 2014, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year were on an arm's length basis. In the opinion of the Board these transactions are justified to be executed. The details of these transactions is given in Form AOC-2, annexed as **Annexure D-9**, which forms part of this report. All the said Transactions were done with prior approval of the Audit Committee and the Board. The transactions entered into pursuant to the omnibus approval of the Audit Committee were also placed regularly before the Audit Committee for its review.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' according to the policy of the Company on Materiality of Related Party Transactions. Your attention is also drawn to the Related Party disclosures set out in Note no. 39 of the Financial Statements for further details.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Annexure-24-A-Policy-on-Related-Party-Transaction.pdf>

RESERVES:-

Entire amount of Net Profit of Rs. 15,05,13,276/- has been transferred to the Reserves under the head "Other Equity" in the Balance Sheet. No amount has been transferred or proposed to be transferred to any other reserves.

DIVIDEND:-

Your Directors have decided to reinvest the earnings in the growth of business and for this reason, have decided to not to recommend any amount for declaration of Dividend for the year under review. Hence, information required in terms of Section 134(3)(k) of the Act is nil.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments, effecting the Financial position of the Company happening between the end of the Financial Year of the Company, to which the Financial Statements relate and date of this Report. Hence, information as required in terms of Section 134(3)(l) of the Act is nil.

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

The requisite information in terms of Section 134(3)(m) of the Act read over with Rule 8(3) of Companies (Accounts) Rules, 2014 has been given by way of an **Annexure D-1** to this Report.

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY IN TERMS OF SECTION 134(3)(n) OF THE ACT

The Company has in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically as per the Risk Management Policy of the Company. A

Management Committee named as Risk Management Committee, voluntarily constituted by the Board of Directors is also in place with the responsibility of preparation of Risk Management Policy, reviewing and monitoring the same on regular basis, to identify and review critical risks on regular basis, to update the Risk management on quarterly basis, to report key changes in critical risks to the Management on an ongoing basis and such other functions as may be prescribed by the Board. The Company has formulated Risk Management Policy which provides an overview of the principles of risk management, explains the approach adopted by the Company for risk management, defines the organizational structure for effective risk management, develops a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions, identify, assess, manage and mitigate existing and new risks including the elements of risk that may threaten the existence of the Company, in a planned and co-ordinated manner with minimum disruption and cost, to protect and preserve Company’s human, physical and financial assets. The Risk Management Committee holds regular meetings to review the critical risks identified. The risks faced by the Company and their minimization procedures are assessed categorically under the broad heads of High, Medium and Low risks. Further, the Company identifies risks and control systems are instituted to ensure that the risks in each business process are minimized/mitigated. The Board provides oversight and reviews the Risk Management Policy periodically.

THE DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR IN TERMS OF SECTION 134(3)(o) OF THE ACT:-

In terms of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee of the Board and the said Committee has following composition as on March 31, 2019:-

1	Sh. Sandeep Bansal	Non Executive Director, Chairman
2	Sh. Rajneesh Bansal	Executive Director, Member
3	Sh. Vigyan Prakash Arora	Independent Director, Member

Other details of the Committee and CSR Policy is furnished in the Report on Corporate Governance, which is annexed herewith. The details about the policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year in the form of CSR Policy is also available on the website of the Company <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2018/08/CSR-Policy-new.pdf>. The Annual Report on CSR activities is furnished in **Annexure D-7**, which forms part of this report and other details about CSR Policy and CSR Committee are given in the Corporate Governance Section under **Annexure D-10**.

A STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS HAS BEEN MADE IN TERMS OF SECTION 134(3)(p) OF THE ACT READ OVER WITH RULE 8(4) OF THE COMPANIES (ACCOUNTS) RULES, 2014:-

Pursuant to the applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has put in place a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. Accordingly, following is the criteria for evaluation:-

- a. **Criteria for evaluation of the Board of Directors as a whole:**
- i. The Frequency of Meetings
 - ii. Quantum of Agenda
 - iii. Administration of Meetings

- iv. Flow and quantity of Information from the Management to the Board
- v. Number of Committees and their role.
- vi. Overall performance of the Company

b. Criteria for evaluation of the Board Committees

- i. The Frequency of Meetings
- ii. Quantum of Agenda
- iii. Administration of Meetings
- iv. Flow and quantity of Information from the Management to the Committee
- v. Role of Committees.
- vi. Contribution to the decision making process of the Board.

c. Criteria for evaluation of the Individual Directors including Independent Directors:

- i. Experience and ability to contribute to the decision making process
- ii. Problem solving approach and guidance to the Management
- iii. Attendance and Participation in the Meetings
- iv. Personal competencies and contribution to strategy formulation
- v. Contribution towards statutory compliances, monitoring of controls and Corporate Governance
- vi. The evaluation of independent directors shall be done by the entire board of directors which shall include –
 - a. Performance of the directors; and
 - b. fulfillment of the independence criteria as specified in these regulations and their independence from the management:
 - c. Provided that in the above evaluation, the directors who are subject to evaluation shall not participate

Accordingly, the annual performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors has been carried by the Board in its Meeting held on 14-05-2019 in terms of the provisions of Section 134 (3) (p) of the Companies Act, 2013 read over with Rule 8(4) of Companies (Accounts) Rules, 2014 as per above criteria. The performance evaluation of all the Independent Directors have been done by the entire Board and while doing so, the Director subject to evaluation had not participated. On the basis of performance evaluation done by the Board, it is determined whether to extend or continue their term of appointment, whenever their respective term expires.

The Independent Directors had met separately on 07-02-2019 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance, performance of the entire Board of the Company as a whole and all its Committees.

The Directors express their satisfaction over the evaluation process.

CHANGE IN THE NATURE OF COMPANY'S BUSINESS

There is no change in the nature of Company's business or generally in the class of business in which the Company has an interest, during the year under review. Hence, information required in terms of Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is nil.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR, IN TERMS OF RULE 8(5)(iii) OF THE COMPANIES (ACCOUNTS) RULES, 2014:-

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Smt Sarita Rani Bansal (DIN 00094504) and Sh Sandeep Bansal (DIN 00094391), Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Board of Directors of the Company had re-appointed and approved the remuneration of Mr. Sat Paul Bansal (DIN 00077499), Chairman cum Managing Director of the Company w.e.f. 01-04-2019, subject to approval of Members in the ensuing Annual General Meeting. Further details are given in the Explanatory Statement to the item no. 5 of the Notice

Board of Directors of the Company had revised the remuneration of Mr. Dharam Pal Sharma (DIN 07284332) w.e.f. 01-04-2019, subject to approval of Members in the ensuing Annual General Meeting. Further details are given in the Explanatory Statement to the item no. 6 of the Notice.

Mr. Dilbag Singh Sidhu (DIN 05210193) is proposed to be re-appointed as an Independent Director for a second term in the ensuing Annual General Meeting as set out in Item no. 7 of the Notice. Further details are given in the Explanatory Statement to the said item. As per the provisions of Section 149 (10) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. He was appointed as Independent Director of the Company in its 30th Annual General Meeting for a period of 5 years, which is expiring in the ensuing Annual General Meeting of the Company. Accordingly, he is proposed to be re-appointed for a Second term upto 31-03-2024 in the ensuing Annual General Meeting by way of Special Resolution..

Mr. Vigyan Prakash Arora (DIN 00806647) is proposed to be re-appointed as an Independent Director for a second term in the ensuing Annual General Meeting as set out in Item no. 8 of the Notice. Further details are given in the Explanatory Statement to the said item. As per the provisions of Section 149 (10) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. He was appointed as Independent Director of the Company in its 30th Annual General Meeting for a period of 5 years, which is expiring in the ensuing Annual General Meeting of the Company. Accordingly, he is proposed to be re-appointed for a Second term upto 31-03-2024 in the ensuing Annual General Meeting by way of Special Resolution.

Mr. Ajay Arora (DIN 00314161) is proposed to be re-appointed as an Independent Director for a second term in the ensuing Annual General Meeting as set out in Item no. 9 of the Notice. Further details are given in the Explanatory Statement to the said item. As per the provisions of Section 149 (10) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. He was appointed as Independent Director of the Company in its 30th Annual General Meeting for a period of 5 years, which is expiring in the ensuing Annual General Meeting of the Company. Accordingly, he is proposed to be re-appointed for a Second term upto 31-03-2024 in the ensuing Annual General Meeting by way of Special Resolution.

Mr. Krishan Lall Khetarpaul resigned as an Independent Director of the Company on 11-05-2018 and the Board took note of the same in its meeting held on 28-05-2018. Same was duly intimated to BSE and RBI.

The Brief Resumes and other details relating to the Directors who are proposed to be appointed/re-appointed and whose remuneration is being fixed/ varied, as required to be disclosed under Regulation

36 of the SEBI (LODR) Regulations, 2015, and Secretarial Standards form part of the Notice of Annual General Meeting.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Sh. Sat Paul Bansal	Chairman cum Managing Director
Smt Bhupinder Kaur	Chief Financial Officer
Sh. Hardam Singh	Company Secretary

During the year, Mr. Tilak Raj Khepar had resigned from the post of Chief Financial Officer w.e.f 14-08-2018 and accordingly, in his place, the Board had appointed Smt Bhupinder Kaur as the Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 07-02-2019. There was no other change (appointment or cessation) in the office of KMPs during the year under review.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:-

The information as required in terms of Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is as under:-

The Company has following two Subsidiaries:-

- a. Paul Merchants Finance (P) Ltd (formerly known as Paul Fincap (Pvt) Ltd.), became Wholly Owned subsidiary of the Company during the year. The said subsidiary is engaged in the business of Gold Loans, Business/personal loans, Distribution of Insurance products and PPI Instruments.
- b. PML Realtors (Pvt) Ltd., became Wholly Owned subsidiary of the Company during the year. The said subsidiary is engaged in buying and selling of Real Estate Properties

The Company has no Associate Company but is having a Joint Venture Company in the name of M/s Horizon Remit Sdn. Bhd., Malaysia.

There is no other change in the Subsidiaries, Joint Ventures Or Associate Companies of the Company during the year.

DEPOSITS

The Company has neither accepted nor renewed any deposits during the Financial Year 2018-19 in terms of Chapter V of the Companies Act, 2013. As such information in this regard and also the information in terms of Rule 8 (5) (v) and Rule 8 (5) (vi) of Companies (Accounts) Rules, 2014 is nil.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future. As such, the information in terms of Rule 8 (5) (vii) of the Companies (Accounts) Rules, 2014 is nil.

DETAILS IN RESPECT OF INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY WITH REFERENCE TO THE FINANCIAL STATEMENTS, IN TERMS OF RULE 8 (5) (viii) OF THE COMPANIES (ACCOUNTS) RULES, 2014

Your Company has in place sound internal control system to ensure that all assets are protected against loss from any unauthorised use and all transactions are recorded and reported correctly. According to Section 134(5) (e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company has a well placed, proper and adequate internal financial control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the internal Audit function is well defined in the Organization. The internal financial control system ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal financial control system also comprises due compliances with Company's policies and Standard Operating Procedures (SOPs), compliance with SEBI (Prevention of Insider Trading) Regulations. The compliance is ensured by in-house Internal Audit Division, supplemented by Concurrent and Statutory Audit. The Internal Auditors independently evaluate the adequacy of internal controls and regularly audit the transactions. Independence of the audit and compliance is ensured by regular supervision of the Audit Committee over Internal Audit findings. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board on Quarterly basis.

The Internal Financial Control systems in place in the Company have been reviewed by the Audit Committee on 13-05-2019 and by the Board of Directors of the Company on 14-05-2019 and have satisfied themselves that the Internal Financial Control systems in place in the Company are adequate.

DISCLOSURE AS TO COST AUDIT AND COST RECORDS

Maintenance of cost records as specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 is not required by the Company and as such the Cost Audit is also not applicable to the Company. This disclosure is pursuant to Rule 8(5)(ix) of the Companies (Accounts) Rules, 2014.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Directors do hereby state in terms of Rule 8(5)(x) of the Companies (Accounts) Rules, 2014 that the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013 (14 of 2013) and has adopted a policy for prevention of Sexual Harassment of Women at workplace. During the year under review, the Company has not received any complaint of harassment.

DECLARATIONS ON COMPLIANCE WITH CODE OF CONDUCT BY DIRECTORS AND THE SENIOR MANAGEMENT PERSONNEL

The Annual Report of the Company contains a Declaration by the Managing Director in terms of Para D of Schedule V to the SEBI (LODR) Regulations, 2015 on the declarations received from the Directors and the Senior Management personnel affirming compliance with the Code applicable to them during the year ended March 31, 2019. This Declaration has been given as **Annexure D-12** to this Report.

REVIEW OF LEGAL COMPLIANCE REPORTS

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

MAXIMUM TENURE OF INDEPENDENT DIRECTORS

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure in one term of appointment of an Independent Director does not exceed 5 years and for two terms put together does not exceed 10 years.

SHARE CAPITAL**a. ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS**

The Company has not issued any shares with Differential Rights during the year under review.

b. ISSUE OF SWEAT EQUITY SHARE

The Company has not issued any Sweat Equity shares or Employee Stock Options during the year under review.

The Authorized Equity Share Capital of the Company as on 31st March 2019 was Rs. 2,00,00,000/- and paid up Equity share capital was Rs. 1,02,80,000/-.

Further there was no buy back of its own shares by the Company and there was no other change in the share Capital of the Company during the year under review.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no other events to be reported under this head.

CORPORATE GOVERNANCE :-

Your Company is committed to maintain the highest standards of Corporate Governance and is in compliance with the Corporate Governance Regulations as laid out in the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required under Regulation 34 (3) read with Part C of Schedule V to the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is annexed herewith as **Annexure –D-10** and forms a part of this Annual Report.

A Compliance Certificate from Mr. Kanwaljit Singh Thanewal, a Company Secretary in practice having CP no. 5870, confirming compliance with the conditions of Corporate Governance is also annexed with this Report as **Annexure –D-11** as required under Part E of Schedule V to the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BUSINESS RESPONSIBILITY REPORT

Regulation 34 (2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company because the Company is not among top 500 listed entities based on market capitalization.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Management Discussion & Analysis Report for the year under review, as stipulated under Part B of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section as **Annexure D-3** forming part of this Annual Report.

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMPs/EMPLOYEES:-

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1), 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure D-4** which forms part of this report.

DETAILS OF COMMISSION RECEIVED BY MANAGING DIRECTOR OR WHOLE TIME DIRECTOR

No amount of Commission has been paid to the Managing Director or any Whole Time Director of the Company for the Financial Year 2018-19

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in enclosing the Consolidated Financial Statements of Paul Merchants Limited consolidating the financials of its Wholly Owned Subsidiary Companies Paul Merchants Finance (P) Ltd and PML Realtors (P) Ltd and the Joint Venture Company M/s Horizon Remit Sdn. Bhd., Malaysia, as required by Section 129(3) of the Companies Act, 2013 (Act) and SEBI Listing Regulations. The said Consolidated Financial Statements are prepared in accordance with the applicable Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India.

INDIAN ACCOUNTING STANDARDS, 2015

The annexed financial statements for the Financial Year 2018-19 and corresponding figures for 2017-18 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES/ASSOCIATES/JOINT VENTURES

The Company has two subsidiaries namely:-

- a. Paul Merchants Finance (Pvt) Ltd., which became Wholly Owned Subsidiary of the Company during the year, is engaged in the business of Gold Loans, Business/personal loans, distribution of Insurance products and PPI Instruments.
- b. PML Realtors (Pvt) Ltd., which became Wholly Owned Subsidiary of the Company during the year. The Company is engaged in buying and selling of Real Estate Properties.

Further, apart from above two wholly owned subsidiaries, the Company has no Associates as defined in the Companies Act, 2013. The Company has one Joint Venture Company in the name of M/s Horizon Remit Sdn. Bhd. Malaysia. The Company holds 19.424 % equity stake in the said Joint Venture Company. Weizmann Forex Ltd (CIN L65990MH1985PLC037697), Transcorp Enterprises Limited (CIN U65922RJ1995PLC010050) and Western Union Processing Limited, an Irish Limited Liability Company are the other partners in the said Joint Venture Company.

During the FY 2018-19, the Subsidiary Company Paul Merchants Finance (P) Ltd. (earlier known as Paul Fincap (Pvt) Ltd.) achieved gross revenue of Rs.18,18,25,864/- as against previous year figures of Rs. 5,21,97,153/- registering a growth of 248.34% over previous year. Further, the said Subsidiary Company achieved a Net profit after Tax of Rs. 663.50 Lakh as against the figures of Rs. 61.28 Lakhs during previous year.

During the FY 2018-19, the Subsidiary Company PML Realtors (P) Ltd., achieved gross revenue of Rs. Nil and other Income of Rs. 58,46,595/- as against previous year gross revenue of Rs. Nil and other income of Rs. 5,49,444/-. Further, the said Subsidiary Company achieved Net Profit after Tax of Rs. 30,30,359/- as against previous year loss of Rs. 19,60,377. The Company was incorporated in the Financial Year 2017-18.

During the FY 2018-19, the JV Company M/s Horizon Remit Sdn. Bhd. Malaysia achieved gross revenue of RM 55.42 Lacs as against previous year gross revenue of Rs. 57.07 Lacs. Further, the JV achieved a profit of RM 2.74 Lakhs i.e same as earned during the previous year of RM 2.74 Lakhs.

Report on the performance and Financial position of the Subsidiary Companies and Joint Venture Company in the specified format AOC-1 is annexed to the Directors' Report as **Annexure D-6.**

AUDIT COMMITTEE

Your Directors wish to inform that in Compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Audit Committee is duly constituted. The Audit Committee as on March 31, 2019 comprises of the following Independent Directors:

Shri. Vigyan Prakash Arora	Independent Director, Chairman
Shri Dilbag Singh Sidhu	Independent Director, Member
Shri Ajay Arora	Independent Director, Member

Details of the Audit Committee have been given separately in the Corporate Governance report. Further, all recommendations of Audit Committee were accepted by the Board of Directors.

NOMINATION & REMUNERATION COMMITTEE

In terms of Regulation 19 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Section 178 (1) of the Companies Act, 2013, Nomination & Remuneration Committee is duly constituted. As on March 31, 2019 the Committee comprises of the following Directors:

Sh. Dilbag Singh Sidhu	Independent Director, Chairman
Sh. Sandeep Bansal	Non Executive Director, Member
Shri. Vigyan Prakash Arora	Independent Director, Member

The details of Remuneration Policy and the Committee are furnished in the Report on Corporate Governance, which is annexed herewith as **Annexure D-10.**

STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Regulation 20 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Section 178 (2) of the Companies Act, 2013, the Stakeholders Relationship Committee is duly constituted. As on March 31, 2019 the Committee comprises of the following Directors:

Sh. Vigyan Prakash Arora	Independent Director, Chairman
Sh. Rajneesh Bansal	Executive Director, Member
Sh. Sandeep Bansal	Non Executive Director, Member

Other details of the Committee have been given separately in the Corporate Governance report.

CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES

There is no change in the Capital Structure of the Company during the year under review. The Shares of the Company are listed and traded at BSE Ltd under scrip code 539113. The Listing fee for the FY 2019-20 has already been paid.

VIGIL MECHANISM

The Company has established a Vigil Mechanism cum Whistle Blower Policy in terms of Section 177 (10) of the Companies Act, 2013 and also in terms of Regulation 4 (2) (d) and Regulation 22 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the said Vigil Mechanism cum Whistle Blower Policy is given in the Corporate Governance Section, which is appended to this Report. The Vigil Mechanism cum Whistle Blower Policy is also available on the Company's website under weblink <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Vigil-Mechanism-policy-07-02-2019.pdf>.

INDUSTRIAL RELATIONSHIPS:-

Relations between the Management and the employees at all levels have been cordial and the Directors wish to express their appreciation for the cooperation and dedication of the employees of the Company.

HUMAN RESOURCES DEVELOPMENT

The Company has always taken its Human capital in highest esteem. The commitment, competence and dedication of its employees in all departments is something, the Company is proud of. Structured orientation process, value based HR programs and management development programs are the cornerstone of HR Policy of the Company. The Company believes that potential of the human mind is unlimited and by providing congenial, open and inclusive work culture that fosters outstanding performance and comprehensive development of employees, the Company aims to grow ordinary employees into leaders. The business segments of the Company are evolving. The International Money Transfer segment has already been sold off and at present, the Company is laying focus to develop Forex and Travel Departments. As such, HR department of the Company has also geared up to take up the new challenge and to keep the team motivated. In order to keep pace with the ever evolving demands of the business and the gamut of activities in Digital space, HR has been placing tremendous focus on capability building in newer areas with an objective to predict, diagnose, and take actions that will improve business performance. Further discussion on this subject is included in the Management Discussion and Analysis Report forming part of this report.

COMPLIANCE

The company has devised proper systems to ensure compliance of all laws applicable to the company and the compliance reports issued by the Departmental Heads along with the report of the Company Secretary under section 205 of the Companies Act, 2013 are placed before the Board every Quarter confirming compliance by the Company with all applicable Laws. In addition, the Internal Audit and Concurrent Audit helps the Company gauge its levels of Compliance on ongoing basis and to take corrective steps, wherever needed.

COMPLIANCE WITH LISTING REGULATIONS:-

The equity shares of the company are listed on the BSE Ltd (BSE). The Company has in place the following Policies as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

1. 'Policy for Preservation of Documents' under Regulation 9 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. 'Archival Policy' under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The web link of 'Archival Policy' is <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2018/07/Policy-on-Archival-of-Records.pdf>
3. 'Policy on Criteria for determining Materiality of events/information' under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The web link of the 'Policy on Criteria for determining Materiality of events/information' is; <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Policy-Determination-of-Materiality-23.04.2019.pdf>

The company has already paid listing fees for the year 2019-2020 to BSE Ltd.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

INSIDER TRADING:

The Board of Directors of the Company have adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The said Code has been posted on the Website of the Company www.paulmerchants.net. Further, the Board has also adopted the Code Of Conduct To Regulate, Monitor And Report Of Trading By Designated Persons in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider trading policy of the company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The said codes were duly adhered to during the year under review.

CEO/CFO CERTIFICATION

In accordance with the Regulation 17 (8) read with Part B of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to corporate governance norms, Mr. Sat Paul Bansal, Managing Director and Ms. Bhupinder Kaur, CFO, have issued a certificate as per the contents of said Regulation for the year ended March 31, 2019. As the Company has no post of CEO, the said Certificate has been signed by the Managing director of the Company along with CFO. The said certificate forms an integral part of this Annual Report as **Annexure D-13**. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

DEMATERIALIZATION OF SHARES

The Company's equity shares are in compulsory Demat mode in terms of SEBI Guidelines. This has been facilitated through arrangement with NSDL and CDSL. About 97.20% of the issued shares of the Company are already in dematerialized form. M/s Alankit Assignments Limited, New Delhi are acting as the Registrar and Share Transfer Agents for this purpose and acts as common agency and all activities in relation to both physical and electronic share transfer facility are maintained by them in terms of Regulation 7 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore

there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

Pursuant to the provisions of the Investor Education Protection Fund (Uploading Of Information Regarding Unpaid And Unclaimed Amounts Lying With Companies) Rules, 2012, the Company had filed the necessary forms and uploaded the details of unpaid and unclaimed amounts lying with the Company, at appropriate time when the same was lying unpaid/unclaimed.

FINANCIAL STATEMENTS

Annual Report 2018-19 of the Company containing Standalone as well as Consolidated Balance Sheet, Statement of Profit & Loss, Cash Flow Statement, other statements and notes thereto, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis Report and Corporate Governance Report) is being sent via email to all shareholders who have registered email address(es). To others, the Annual Report is being sent by post. Full version of Annual Report 2018-19 is also available for inspection at the registered office of the Company during working hours upto the date of ensuing Annual General Meeting (AGM). It is also available at the Company's website www.paulmerchants.net. The Notice of the AGM shall also be placed at the website of CDSL. Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2018-19, upon receipt of written request from you, as a member of the Company.

ACKNOWLEDGEMENT

Your Directors wish to express their sincere appreciation to valued Clients, Reserve Bank of India, Bankers, Government Agencies and Employees of the company for their continued support & co-operation.

For & On Behalf of the Board

For & On Behalf of the Board

(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)

(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

PLACE: CHANDIGARH
Date: August 6, 2019

ANNEXURE D-1 TO THE DIRECTORS' REPORT:-**A. Conservation of Energy :**

Though energy does not form a significant portion of the cost for the Company yet wherever possible and feasible, continuous efforts are put for conservation of energy and to minimize power cost. The Energy conservation measures include encouraging the use of low power consuming LED lights and compact Fluorescent Lights, Solar Lights, replacement of old electrical units with new energy efficient units. The vehicles operated by the company are in compliance of all pollution control regulations. Wherever possible, paperless processes are adopted under Green Initiative. Staff of the Company is regularly sensitized about conservation of power. As the Company is in service sector, capital investment on energy conservation equipments is not significant to be reported.

B. Technology Absorption :

The Company continues to absorb and upgrade modern technologies in its operations and back-end support functions like Accounts, Human Resource Management, Operations and Compliance functions.

The benefit derived from above steps enables the Company to carry on its operations in an efficient and cost-effective manner which in turn helps the Company offer its services and products in a most competitive manner.

There is no imported technology in the Company.

No specific or separate expenditure incurred on Research and Development although it is an ongoing process and is carried out by the concerned human resources diligently.

C. Foreign exchange earnings and outgo:

	2018-19	2017-18
PARTICULARS	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)
Foreign Exchange Outgo		
Towards Travelling Overseas	2.05	47.49
Towards Advertisements & Business Promotion	NIL	NIL
Towards Tour Packages Business	493.04	268.88
Towards Revenue Share for outward Remittances	153.99	86.91
Total	649.08	403.28
Foreign Exchange Receipts		
Gross Remittance from RIA including Incentive)	17470.14	9,33,727.68
Tour Packaging Business	7.09	9.17
Total	7.09	9,33,736.85

For & On Behalf of the Board

For & On Behalf of the Board

(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)

(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

PLACE: CHANDIGARH
Date: August 6, 2019

ANNEXURE D-2 TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

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NOMINATION AND REMUNERATION POLICY

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NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time. Any amendment in the said Acts/Regulations at any point of time in future shall be automatically deemed to be incorporated herein. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management had originally been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and approved by the Board of Directors on 04-08-2014. Further the said Policy has been amended by the Board of Directors on 07-02-2019 in the light of Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the Listing Regulations. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To recommend for Key Managerial Personnel and Senior Management, reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel** means
 - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
 - 2.4.2. Whole-time director;
 - 2.4.3. Chief Financial Officer;
 - 2.4.4. Company Secretary; and
 - 2.4.5. Such other officer as may be prescribed.
- 2.5. **Senior Management** means officers/ personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/ managing director/ whole time director/manager (including chief executive officer/ manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.
- 2.6. **"Remuneration"** means money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

3. ROLE OF COMMITTEE

- 3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration for the directors, key managerial personnel and other employees
- 3.1.2. formulation of criteria for evaluation of performance of independent directors and the board of directors
- 3.1.3. devising a policy on diversity of board of directors

- 3.1.4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and 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
- 3.1.5. 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
- 3.1.6. Recommend to the Board, appointment and removal of Directors, KMPs and Senior Management Personnel.
- 3.1.7. recommend to the board, all remuneration, in whatever form, payable to senior management
- 3.1.8. Oversee familiarisation programmes for directors.
- 3.1.9. Provide guidelines for remuneration of directors on material subsidiaries.
- 3.1.10. Performing such other duties and responsibilities as may be consistent with the provisions of the Companies Act and SEBI Regulations.

3.2. Policy for appointment and removal of Directors, KMPs and Senior Management Personnel

3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level in line with the Business of the Company, the Industry Structure which the Company operates in and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment to ensure that he/she is able to discharge his duties in a diligent manner. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director, who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- d) A person shall be eligible for appointment as managing director of the company if he has worked as whole time director or manager for at least 3 years in a public limited company.
- e) The Chief Financial Officer of the Company shall necessarily be a member of Institute of Chartered Accountants of India. The Company Secretary of the Company shall necessarily be a member of Institute of Company Secretaries of India. For any other position in the Senior Management, where a specific educational qualification is desirable to discharge the functions and duties attached to that particular position, the person shall necessarily be holding that qualification.

3.2.2. Term / Tenure

a) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing

Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly) on the basis of following criteria:-

a. Criteria for evaluation of the Board of Directors as a whole:

- (a) The Frequency of Meetings
- (b) Quantum of Agenda
- (c) Administration of Meetings
- (d) Flow and quantity of Information from the Management to the Board
- (e) Number of Committees and their role.
- (f) Overall performance of the Company

b. Criteria for evaluation of the Board Committees

- (a) The Frequency of Meetings
- (b) Quantum of Agenda
- (c) Administration of Meetings
- (d) Flow and quantity of Information from the Management to the Committee
- (e) Role of Committees.
- (f) Contribution to the decision making process of the Board.

c. Criteria for evaluation of the Individual Directors including Independent Directors;

- (a) Experience and ability to contribute to the decision making process
- (b) Problem solving approach and guidance to the Management
- (c) Attendance and Participation in the Meetings
- (d) Personal competencies and contribution to strategy formulation
- (e) Contribution towards statutory compliances, monitoring of controls and Corporate Governance
- (f) The evaluation of independent directors shall be done by the entire board of directors which shall include –
 - i. performance of the directors; and
 - ii. fulfillment of the independence criteria as specified in these regulations and their independence from the management;
 - iii. Provided that in the above evaluation, the directors who are subject to evaluation shall not participate

The performance evaluation of all the Independent Directors shall be done by the entire Board and while doing so, the Director subject to evaluation shall not participate. On the basis of performance evaluation done by the Board, it will be determined whether to extend or continue their term of appointment, whenever their respective term expires.

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder or due to other valid reasons as recorded in writing by the Committee, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Whole-time Directors, KMPs and Senior Management Personnel

3.3.1. General:

- (a) The remuneration / compensation / commission etc. to the Whole-time Directors, KMPs and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- (b) The remuneration to be paid to the Whole-time Directors and shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company

and as per the provisions of the Act.

- (c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Directors Further, in case of KMPs and Senior Management, the increments shall be allowed not only on the basis of performance of the Company but shall also include various factors like individual performance vis a vis individual KRA, diligence in achievement of KRAs, Industry trends, economic situation, future growth prospects of the Company etc.
- (d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2. Remuneration to Whole-time Directors/ Executive / Managing Director, KMP and Senior Management Personnel:

1) Remuneration to Managing Director / Whole-time Directors:

- a. The Remuneration/ Commission etc. to be paid to Executive/ Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013, Rules made thereunder, provisions of SEBI (LODR) Regulations, as amended from time to time or any other enactment for the time being in force and as per the approvals obtained from the Members of the Company.
- b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Executive/Managing Director / Whole-time Directors.
- c. **Minimum Remuneration:**
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, the Company shall pay Remuneration with the previous approval of the Central Government.
- d. **Provisions for excess remuneration:**
If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, shall hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

2) Remuneration to Non- Executive / Independent Directors:

- a. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or in any other manner as decided by the Board of Directors.
- b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies

Act, 2013 and rules made thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i. The Services are rendered by such Director in his capacity as professional; and
 - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
 - iii. In case the Company decides to offer any Employee Stock Option/ Purchase Schemes in future, the Committee shall determine the stock options and other share based payments to be made to be made to the eligible Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall be in compliance with the applicable provisions of the Companies Act, 2013 and in accordance with the Company's Policy and shall be reviewed by the Committee from time to time.
- b) In case the Company decides to offer any Employee Stock Option/ Purchase Schemes in future, the Nomination and Remuneration Committee of the Company, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided by the Company from time to time.
- d) The Incentive pay shall be in the form of Performance Bonus and shall be decided based upon the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

4. MEMBERSHIP OF COMMITTEE

- 4.1 The Committee shall consist of minimum 3 non-executive directors, majority of them being independent.
- 4.2 The quorum for a meeting of the Nomination and Remuneration Committee shall be either 2 members or 1/3rd of the members of the committee, whichever is greater, including at least one independent director in attendance.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

- 5.3 In the absence of the Chairperson of the Committee, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting would be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required, however, the Committee shall meet at least once in a year. Further, it shall be ensured that such minimum number of meetings of the committee are held as required under the Companies Act, 2013, Rules framed thereunder and under SEBI (LODR) Regulations.

7. COMMITTEE MEMBERS' INTERESTS

- 7.1 The disclosure of Interest and participation in the meetings by a member of the Committee shall be as per the provisions of the Act and Rules made thereunder from time to time.
- 7.2 The Committee may invite such executives, professionals, consultants or experts as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

- 9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed to be decision of the Committee.
- 9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be recorded as per the Provisions of the Companies Act, 2013 and Secretarial Standards and signed by the Chairman of the Committee or the chairman of the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

(Sd/-)

Sat Paul Bansal

Chairman of the Board

For & On Behalf of the Board

For & On Behalf of the Board

(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)

(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

PLACE: CHANDIGARH
Date: August 6, 2019

ANNEXURE D-3 TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

PART (1)

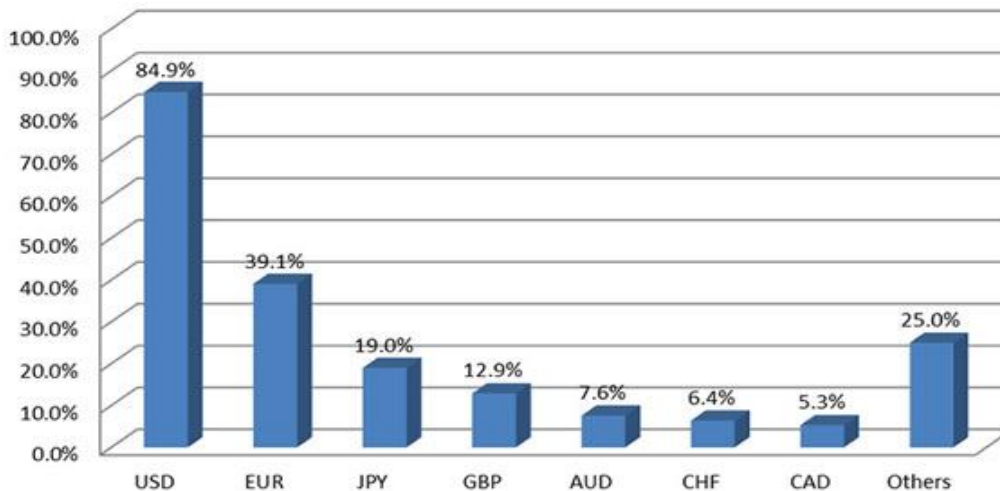
(a) INDUSTRY STRUCTURE AND DEVELOPMENTS

Foreign Exchange

The foreign exchange market in India started when in 1978 the government allowed banks to trade foreign exchange with one another. Foreign Exchange Market in India operates under the Central Government of India and exercises wide powers to control transactions in foreign exchange. The Foreign Exchange Management Act, 1999 or FEMA regulates the whole Foreign Exchange Market in India. Before the introduction of this act, the foreign exchange market in India was regulated by the Reserve Bank of India through the Exchange Control Department, by the Foreign Exchange Regulation Act or FERA, 1947. Interbank foreign exchange Trading is regulated by the Foreign Exchange Dealers Association of India (FEDAI) created in 1958, a self-regulatory voluntary association of dealers or banks specializing in the foreign exchange activities in India that regulates the governing rules and determines the commissions and charges associated with the interbank foreign exchange business. Since 2001, clearing and settlement functions in the foreign exchange market are largely carried out by the Clearing Corporation of India Limited (CCIL) that handles transactions of approximately 3.5 billion US dollars a day, about 80% of the total transactions.

The foreign exchange market in India consists of 3 segments or tiers. The first consists of transactions between the RBI and the authorized dealers (AD) or Full Fledged Money Changers (FFMC). The latter are mostly commercial banks. The second segment is the interbank market in which the AD's/FFMC's deal with each other. And the third segment consists of transactions between AD's/FFMC's and their corporate customers. As in any market essentially the demand and supply for a particular currency at any specific point in time determines its price (exchange rate) at that point. Prior to 1990s fixed Exchange rate of the rupee was officially determined by RBI.

The Most Traded Currencies



Source: BIS Preliminary Triennial Survey 2010

International Money Transfer

India continued to remain the top receiver of remittances in 2018-19, getting funds of [\\$80 billion](#), according to the World Bank. Global annual remittance flows to low and middle-income countries reached \$529 billion in 2018, an increase of 9.6 percent over the previous record high of \$483 billion in 2017. According to the [World Bank's latest Migration and Development brief](#), growth in remittance inflows ranged from almost 7 percent in East Asia and the Pacific to 12 percent in South Asia. The overall increase was driven by a stronger economy and employment situation in the United States and a rebound in outward flows from some Gulf Cooperation Council (GCC) countries and the Russian Federation. Excluding China, remittances to low- and middle-income countries (\$462 billion) were significantly larger than foreign direct investment flows in 2018 (\$344 billion).

Source Country	% Share in Total Remittances
United Arab Emirates	26.9
United States	22.9
Saudi Arabia	11.6
Qatar	6.5
Kuwait	5.5
Oman	3.0
United Kingdom	3.0
Malaysia	2.3
Canada	1.0
Hong Kong	0.9
Australia	0.7
Germany	0.6
Italy	0.05
Philippines	0.03
Others	14.8
Total	100.0

According to [Reserve Bank of India](#), based on responses gathered from banks, it is estimated that more than half of remittances received by Indian residents were used for family maintenance (i.e., consumption), followed by deposits in banks (20 per cent) and investments in land property and shares (8.3 per cent). In India, the remittances market consists of Overseas Service Providers, their Indian Principal Agents, Sub Agents appointed by Indian Principal Agents and the customers. The market is regulated by Reserve Bank of India.

Tours and Travels

Introduction

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. During 2018, FEEs from tourism increased 4.70 per cent year-on-year to US\$ 28.59 billion. FEEs during January 2019 was US\$ 2.55 billion.

Market Size

India is the most digitally-advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey, India’s rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism. During 2018, foreign tourist arrivals (FTAs) in India stood at 10.56 million, achieving a growth rate of 5.20 per cent year-on-year. FTAs in January 2019 stood at 1.10 million, up 5.30 per cent compared to 1.05 million year-on-year.

The travel & tourism sector in India accounts for roughly 8 per cent of the total employment opportunities generated in the country, providing employment to around 42 million people. The number is expected to rise by 2 per cent per annum to 52.3 million jobs by 2028. International hotel chains are increasing their presence in the country, as it will account for around 47 per cent share in the Tourism & Hospitality sector of India by 2020 and 50 per cent by 2022. The data of the Customer Travel style is compiled as under:-

Customers Travel Style						
Age Group	25-34	35-44	45-54	55-64	65+	Cumulative
Go independently	96%	93%	94%	92%	93%	94%
Go in a group	31%	29%	33%	35%	41%	34%
Cruise	19%	9%	18%	31%	41%	24%
Urban travel	46%	46%	46%	37%	26%	40%
Adventure	38%	54%	39%	32%	49%	41%
Luxury	12%	13%	15%	29%	32%	20%
Budget	62%	71%	58%	52%	47%	58%

(b) OPPORTUNITIES & THREATS

OPPORTUNITIES

India is projected to grow at 7.3 per cent in 2019 and 7.5 per cent in 2020, supported by the continued recovery of investment and robust consumption, thus remaining the fastest growing major economy of the world, according to the IMF. In 2018, India's growth rate was 7.1 per cent, as against China's 6.6 per cent. In 2019, the International Monetary Fund (IMF) projected a growth rate of 6.3 per cent for China and 6.1 per cent in 2020, according to the latest World Economic Outlook projections released ahead of the annual spring meetings of the International Monetary Fund and the World Bank. The World Economic Outlook believes that in India, continued implementation of structural and financial sector reforms with efforts to reduce public debt remain essential to secure the economy's growth prospects. Important steps have been taken to strengthen financial sector balance sheets, including through accelerated resolution of non-performing assets under a simplified bankruptcy framework, it noted. Further Tourism's direct contribution to GDP is expected to grow from \$98 billion in 2018 to \$106.9 billion in 2019. The Indian tourism market is fast-growing with immense potential due to the country's rich cultural and geographical diversity. It is one of the major sectors contributing to GDP of the country and is driven by steady economic growth. The Travel services and Hotel segments are expected to drive growth of the industry in 2019, growing at a rate of 12% and 13.2%. Rising incomes and middle classes globally lead to growing confidence among consumers. Young, urban consumers are seeking out new travel experiences, driving travel and tourism trends along the way with more services and products than ever, created specifically to serve consumer preferences.

In a growing economy, all the sectors are direct and distinct beneficiaries and in these circumstances, both the Business Verticals of the Company i.e. Forex and Travel Divisions are expected to reap the benefits of growing income levels and the growing tendency to spend.

THREATS

Trade tensions between the U.S. and China are starting to pull foreign-exchange markets into the arena. Yet far from embracing their currencies as a weapon, many countries are being forced to take a defensive posture against the almighty dollar. Markets have been buffeted by uncertainty as the trade impasse shows no sign of abating. Almost all emerging-market currencies have weakened in the recent past against the greenback. Further, the recent trends in the Forex Markets have thrown several challenges before the market players like unscrupulous people have started using the Forex channels to launder money due to which, not only the cost of compliance has increased but the growing notoriety of nefarious elements becoming more and more active to exploit forex markets have increased the compliance risk also.

Further, over the years the ever-evolving and very dynamic travel industry has witnessed several disruptors which have shaken the status quo. The sharing economy and digitalisation are bringing new business models. Consumers worldwide are becoming more sophisticated and demanding. Terrorism and declining law & order situation in several countries is another threat to the Travel industry. Further, the rising competition in Travel Industry is another big threat for the sustainability and profit margins.

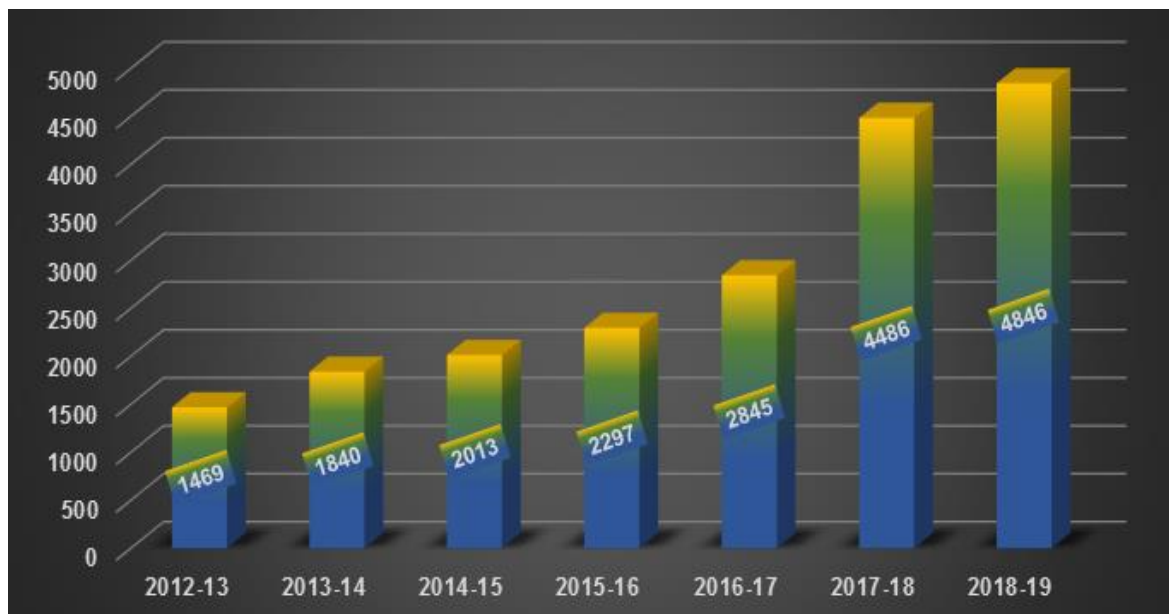
(c) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

FOREX DIVISION

The total turnover from this division increased to Rs.4846.18 crores as compared to previous year figures of Rs.4486.49 crores, registering a growth of 8%. Retail business of Forex continues to be the key segment and strength of the company and the same is reflected in the fact that it has contributed 99% of the total turnover. The company registered a strong growth of 8% in retail sales in the year under review. Outbound business, which has been the focus area of the company in the recent years, registered a growth of 10% from Rs. 3446 crores to Rs. 3775 crores.

Total Forex Turnover Trends

Figures in INR Crores



Among the various products in Forex, the Telegraphic Transfer business has always been one of the major contributor towards the overall Forex Sales. This year too it has been one of the major contributing product with a 77% share in the total sales and has grown by 9%. Currency business is the second biggest contributor to the overall Forex sales with a 22% share.

Non AD II Business

The Non AD II business has been witnessing strict regulatory guidelines in the last two years and the banks are becoming stringent in doing the said transactions. In spite of all the challenges in doing the Non AD II business, the Company has been able to register an income of Rs.2.77 crores as against the previous year's figures of Rs. 2.19 crores during the year under review, registering thereby a growth of 27% over last year.

Non AD II Income (Figures in INR Crores)



INTERNATIONAL MONEY TRANSFER DIVISION (MTSS BUSINESS)

During the year under review, the Company registered a gross revenue from this segment at Rs. 1.14 crores as against the previous year figure of 52.39 crores. Further, the Company effected 174283 MTSS transactions. The comparison with the previous year figures in this segment is not realistic as the Company had been acting as a Principal Agent of various Overseas Principal Service Providers in the previous year and after sale of this segment to M/s Ebix Money Express Private Limited (Ebix), the Company is acting as a sub agent of Ebix for offering these services. During the year under review, the Company offered this service from its 107 offices.

TRAVEL DIVISION

During the year under review, the Company achieved a total turnover of Rs. 41.59 Crores in this segment, as compared to the previous year's figures of Rs. 44.27 Crores/-, registering a de-growth of 5.82%. Further, the performance of sub segments in this Division is discussed in the following paras. Further, sale of Air Ticketing stood at Rs. 36.93 crores as compared to previous year's figure of Rs. 38.46 Crore. The Company generated gross revenue in Outbound Tours to the tune of Rs. 53.22 Lakh in this segment in the year under review against the previous year figure of Rs. 77.82 Lakh.

The Company also offers other services which are allied to the Tours and Travel activities like Travel Insurance and VISA. These are the services, which are invariably required by the customer who comes to the Company for his Travel Needs. The Company generated gross business to the tune of Rs. 27.84 Lakhs in this segment in the year under review against the previous year figure of Rs. 20.87 Lakhs.

Though the year under review has been a forgettable year in terms of performance in this segment, the Company has also been taking efforts to improve its performance in this segment by appointing new team, investing in new technology and entering into new tie ups.

(d) OUTLOOK

As per one G-20 surveillance note, India's economy is expected to grow 7.3% in 2019 and 7.5% in 2020. As per IMF, India's economy is set to grow at 7 per cent in 2019, picking up to 7.2 per cent in 2020. However, the good news is despite the revision, India's growth rate will still be the fastest in the world followed by China. On the positive side, political stability, high capacity utilisation, uptick in business expectations in the second quarter, buoyant stock market conditions and higher financial flows to the commercial sector augur well for investment activity. Global growth is projected to remain stable at around 3.6% but will rely on weights shifting toward countries with relatively higher growth rates, mainly G-20 emerging markets such as China and India. Emerging G-20 economies including India are facing more binding constraints on fiscal space, often against a backdrop of high public debt and, in some cases, sizeable risk premia.

The year 2018 witnessed very high volatility in financial markets. The USD-INR pair moved with a delta of Rs 11.24 per dollar with a yearly high and low of Rs 74.49 and Rs 63.25, respectively. India had the lifetime high forex reserves of \$426 billion in April 2018, accumulated to prevent any steep appreciation in the domestic currency. Stepping into 2019-20, the biggest risk factor would continue to be oil price. Real rates being higher at nearly 4% currently with the headline CPI inflation dipping to 2.3 per cent. Most of the external headwinds for INR weakness not expected to be present next year. A pause in Fed hiking cycle seen outweighing local concerns, resulting in a resumption of foreign portfolio inflows INR is likely to regain lost momentum.

Further, India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India's travel and tourism industry has the potential to expand by 2.5 per cent on the back of higher budgetary allocation and low cost healthcare facility, according to a joint study conducted by Assocham and Yes Bank.

(e) RISKS AND CONCERNS

Foreign exchange business is prone to many risks. The major risks that the Company faces in this segment are mentioned below:

1. Risk of Theft after office hours
2. Risk of Burglary/ Dacoity during business hours.
3. Risk of loss during cash/currency in transit.
4. Embezzlement of Cash/Currency by Company's own employees.
5. Risk of fire
6. Accidental risk of employees while in field.
7. Credit Risk
8. Exchange Rate volatility
9. Compliance / Regulatory violations

The Company has taken adequate measures to overcome and take care of the above mentioned risks, the same are appended below:

1. Comprehensive Insurance to cover the risk
2. Deployment of Security Guards at high risk branches
3. Security Alarm / CCTV Cameras and other security apparatus
4. Credit Risk Policy
5. Continuous Monitoring of Forex business
6. Limited Stock to minimize the risk of Exchange Rate volatility
7. Regular education of the Business team

Further, a currency war, fought by one country through competitive devaluations of its currency against others, is one of the most destructive and feared outcomes in international economics and is a major risk as well as concern for forex markets of any country. Whether prolonged or acute, these currency crises are associated with stagnation, inflation, austerity, financial panic and other painful outcomes. Recent trade tariffs by the US in steel and aluminium has seen China react with similar levies on US exports. Both are preparing their next lists to fire at each other. The trade war is already turning into a currency war where Chinese currency saw a sharp depreciation of around 8 per cent. The threat from the trade and currency wars is real. In emerging markets including India, mounting trade tensions, higher crude oil prices, and hardening of interest rates in US has already created an uncertain environment. The immediate reaction can be seen in global financial markets - US rates are rising and the dollar is strengthening. The EU is likely to hike interest rates from 2019 and collateral damage will be in emerging markets.

Further, Government regulations in India frustrate tourists and tour operators alike, with ever-shifting visa rules that can leave visitors in the lurch and create inconsistent enforcement. Many have called for India to start offering visas on arrival, like other nations competing for tourist dollars. The tourism industry is also weighed down by infrastructure problems once visitors arrive, including inadequate roads, water, sewer, hotels and telecommunications. Airports have been expanding in an effort to accommodate more passengers. Tourist facilities have a lack of skilled workers to fill all the positions to cater to international visitors. Service, luxury and transportation taxes are high, and hit visitors in the pocketbook when planning a trip to India. Despite the influx of overseas cash that tourism brings to a country, one challenge for the tourism industry in India comes from within. Concerns about the potentially negative impact of tourism here include economic boons for some areas but not others and resulting migration of workers, underemployment caused by seasonal work, inflation as tourists drive up prices and preferences given to tourists for supplies such as water rations. There are also concerns about the environmental impact of tourism on an already crowded country and the potential wearing down of cultural monuments from overuse.

(f) **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY AND RISK MANAGEMENT,**

The Company has a well-established Enterprise-wide Risk Management (ERM) framework in place for identification, evaluating and management of risks, including the risks which may threaten the existence of the Company. Company's internal controls are commensurate with its size and the nature of its operations and are aligned with the requirement of Companies Act 2013. The Company has in place its Risk Management policy, Internal control management and the entire framework of business model is designed such as to drive a common integrated view of risks, risk mitigation and efficient management of internal audit activities. Risk management and internal control systems have been designed in such a way that downside risks are minimized as complete elimination of the risk is not possible. The Company has a proper and adequate system of internal controls commensurate with nature and its size to ensure that all properties & assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded, vouched and reported correctly. Regular review of the systems is conducted by the Audit Committee of the Company. Further, any significant findings & follow up thereon, internal investigations by Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature is placed before the Audit Committee. The Company's internal control systems are further supplemented by an extensive programme of internal audit and also by Concurrent Audit by an independent firm of Chartered Accountants. The Company has designated Mr. Dharam Pal Sharma (Ex GM RBI), Whole Time Director as the Designated Director for the purpose of compliances with AML and RBI Guidelines. Further, a qualified Law Graduate is the Principal Officer of the Company for the purpose of compliances with all Anti Money Laundering Guidelines and KYC Norms applicable to the Company. The Internal Controls and Audits are subject to periodic review by the management. The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

The Board of Directors of the Company has assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Regulations 2015) as of March 31, 2019. The statutory auditors of the Company have audited the financial statements included in this annual report and have issued an attestation report on Company's internal control over financial reporting (as defined in section 143 of Companies Act 2013). Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI LODR Regulations 2015), audit committee has concluded that, as of March 31, 2019, internal financial controls in the Company were adequate and operating effectively.

(g) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, total Revenue of the Company from continued operations (stand alone) was Rs. 4911.41 crores, an increase of 8% over 2017-18. Profit before tax (PBT) from continued operations (stand alone) was Rs.14.29 Crores and Profit after tax was Rs. 15.05/- crores. The total operating income (continued business) of the Company is Rs. 14.75/- crores as compared to last year figure of Rs. 22.08/- crores, a decrease of 33.20%.

During the year under review, total Revenue of the Company from continued operations (consolidated) was Rs. 4929.89 crores, an increase of 8 % over 2017-18. Profit before tax (PBT) from continued operations (consolidated) was Rs.23.96 Crores and Profit after tax was Rs. 21.99/- crores

(h) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

Your Company continued to focus on attracting new talent while investing in 360 degree development of its Human resources to help them get aligned with Company's long term objectives, explore avenues for their personal developments and to enhance their productivity.

People are being exposed to new challenges, technology driven solutions and organic system processes so that work flows smoothly between inter department segments. Employee friendly progressive HR policies, employee Familiarization and engagement initiatives have ensured to develop a bond between the Company and its employees.

As on 31st March, 2019, 423 number of people are employed in the Company.

(ii) DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFORE, INCLUDING:-

Sr. No.	Ratio	2017-18*	2018-19	Change	EXPLANATION FOR CHANGE
a	Debtors Turnover*	13.7	17.6	28%	This has improved due to effective control on credit sales and constant monitoring and follow up of Debtors with business teams.
b	Inventory Turnover	223	253	13%	This has improved due to management of Inventory level effectively simultaneously ensuring to have adequate inventory

					levels to service the customers.
c	Interest Coverage Ratio	22.25	137.24	517%	It has improved due to squaring off of CC /OD limits / liabilities as during the year ended on 31 March 2019.
d	Current Ratio	3.19	9.73	205%	It has improved due to squaring off of CC /OD limits / liabilities as on 31 March 2019.
e	Debt Equity Ratio	0.05	0.00	-99%	The CC limit was completely squared off as on 31 March 2019. compared to availed limit of Rs 1698 lakhs at previous year end.
f	Operating Profit Margin (%) *	0.48%	0.29%	-38%	Due to Sale of IMT segment and increase in Forex commission payouts
g	Net Profit Margin (%)*	0.45%	0.29%	-36%	Due to Sale of IMT segment and increase in Forex commission payouts
h	Any sector-specific equivalent ratios, as applicable	-	-	-	

* To arrive at the comparable ratios, profits, Turnover and corresponding receivables from discontinued operations not considered in FY 2017-18.

(j) DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF

Sr. No	Ratio	2017-18*	2018-19	Change	EXPLANATION FOR CHANGE
a	Return On Net Worth	4.00%	3.96%	-	

*For FY 2017-18, Profit after tax considered only for continued operations to make it comparable with current year.

PART 2

DISCLOSURE OF ACCOUNTING TREATMENT

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and defined contribution plans which have been measured at actuarial valuation as required by relevant Ind AS, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include change in Statutory Regulations, overall Forex Markets, a downward trend in migration, rise in operational costs, exchange rate fluctuations and significant changes in political and economic environment, tax laws, litigation and labour relations.

For & On Behalf of the Board**For & On Behalf of the Board**

(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)

(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

PLACE: CHANDIGARH

Date: August 6, 2019

ANNEXURE D-3A

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

as on the financial year ended on 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i.** CIN : L74900DL1984PLC018679
- ii.** Registration Date : 13/07/1984
- iii.** Name of the Company : PAUL MERCHANTS LIMITED
- iv.** Category of the Company : Company Limited by shares
- v.** Sub-Category of the Company : Indian Non-Government Company
- vi.** Address of the registered office : DSM 335,336,337, 3rd Floor, DLF Tower 15,
and Contact Details Shivaji Marg, Najafgarh Road, New Delhi
110015, Contact: 011-48702000
- vii.** Whether listed company: Yes
- viii.** Name, Address and Contact details : ALANKIT ASSIGNMENTS LIMITED, 1E/13,
of Registrar and Transfer Agent Jhandewalan Extn. New Delhi- 110055 Ph No.
011-42541959

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Foreign Exchange	64990	99.15
2	Tours, Travels & Air Ticketing	79110	0.85

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. NO	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	Paul Merchants Finance Pvt Ltd SCO 829-830, Sector 22 A, Chandigarh	U65921CH2010PTC032462	Wholly Owned Subsidiary	99.99%	Section 2 (87)
2	PML Realtors Pvt Ltd	U70109CH2017PTC041807	Wholly Owned Subsidiary	99.99%	Section 2 (87)
3	Horizon Remit Sdn. Bhd.	631085-P	Associate (Joint Venture)	19.42%	Section 2 (6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	645093	NIL	645093	62.75	645093	NIL	645093	62.75	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	102355	NIL	102355	9.96	102355	NIL	102355	9.96	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1):-	747448	NIL	747448	72.71	747448	NIL	747448	72.71	NIL

(2) Foreign									
a) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	747448	NIL	747448	72.71	747448	NIL	747448	72.71	NIL
B.Public Shareholding									
1.Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2.Non- Institutions									
a) Bodies Corp.									
i) Indian	1137	NIL	1137	0.1106	771	NIL	771	0.075	(0.0356)
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	117866	40014	157880	15.36	129229	28799	158028	15.37	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	121100	NIL	121100	11.78	121100	NIL	121100	11.78	Nil
c) Others									
HUF	227	NIL	227	0.0221	338	NIL	338	0.033	0.0109
NRI	148	NIL	148	0.0144	288	NIL	288	0.028	0.0136
Clearing Members	60	NIL	60	0.0058	27	NIL	27	0.0026	(0.0032)
Sub-total (B)(2):-	240538	40014	280552	27.29	251753	28799	280552	27.29	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	240538	40014	280552	27.29	251753	28799	280552	27.29	NIL

C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	987986	40014	1028000	100	999201	28799	1028000	100	NIL

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Sat Paul Bansal	201100	19.56	0.00	201100	19.56	0.00	0.00
2	Rajneesh Bansal	149746	14.57	0.00	149746	14.57	0.00	0.00
3	Sandeep Bansal	144507	14.06	0.00	144507	14.06	0.00	0.00
4	Sarita Rani Bansal	144500	14.06	0.00	144500	14.06	0.00	0.00
5	Nita Bansal	5240	0.51	0.00	5240	0.51	0.00	0.00
6	Paul Excursions (P) Ltd.	102355	9.96	0.00	102355	9.96	0.00	0.00
	TOTAL	747448	72.71	0.00	747448	72.71	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Note: There is no change in Promoters' Shareholding

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sat Paul Bansal				
	At the beginning of the year	201100	19.56	201100	19.56

	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	201100	19.56	201100	19.56
2.	Rajneesh Bansal				
	At the beginning of the year	149746	14.57	149746	14.57
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	149746	14.57	149746	14.57
3.	Sandeep Bansal				
	At the beginning of the year	144507	14.06	144507	14.06
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	144507	14.06	144507	14.06
4.	Sarita Rani Bansal				
	At the beginning of the year	144500	14.06	144500	14.06
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	144500	14.06	144500	14.06
5.	Nita Bansal				

	At the beginning of the year	5240	0.51	5240	0.51
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	5240	0.51	5240	0.51
6.	Paul Excursions (P) Ltd.				
	At the beginning of the year	102355	9.96	102355	9.96
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	102355	9.96	102355	9.96

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	VIKRAM GUPTA				
	At the beginning of the year	47600	4.63	47600	4.63

	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	47600	4.63	47600	4.63
2.	VINOD KUMAR GARG				
	At the beginning of the year	44500	4.32	44500	4.32
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	44500	4.32	44500	4.32

3.	SARITA GUPTA				
	At the beginning of the year	29000	2.82	29000	2.82
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	29000	2.82	29000	2.82
4.	DIVYA SINGLA				
	At the beginning of the year	6000	0.58	6000	0.58

	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	6000	0.58	6000	0.58
5.	HANISH GARG				
	At the beginning of the year	5000	0.48	5000	0.48
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	5000	0.48	5000	0.48
6.	ASHISH BANSAL				
	At the beginning of the year	5000	0.48	5000	0.48
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	5000	0.48	5000	0.48
7.	KOMAL SAINI				
	At the beginning of the year	3161	0.307	3161	0.307
	Date wise Increase/Decrease in Share holding during the year (Transfer of shares)				
	22-06-2018	1776	0.173	4937	0.48

	At the End of the year (or on the date of separation, if separated during the year)	4937	0.48	4937	0.48
8.	ARVIND SINGLA				
	At the beginning of the year	4892	0.47	4892	0.47
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	4892	0.47	4892	0.47
9.	SAURAV GARG				
	At the beginning of the year	4873	0.47	4873	0.47
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	4873	0.47	4873	0.47
10.	TEJINDER SINGH				
	At the beginning of the year	4432	0.43	4432	0.43
	Date wise Increase/Decrease in Share holding during the year (sale of shares)				
	22-06-2018	(10)	0.0009	4422	0.43
	31-08-2018	(32)	0.0031	4390	0.42
	20-09-2018	(27)	0.0026	4363	0.42
	26-10-2018	(5)	0.0004	4358	0.42
	14-12-2018	(27)	0.0026	4331	0.42
	15-02-2019	(31)	0.003	4300	0.42
	22-02-2019	(27)	0.0026	4273	0.41
	15-03-2019	(35)	0.0034	4238	0.41

	At the End of the year (or on the date of separation, if separated during the year)	4238	0.41	4238	0.41
11.	SAURAV GARG				
	At the beginning of the year	4000	0.38	4000	0.38
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	4000	0.38	4000	0.38
12.	ROHIT BANSAL				
	At the beginning of the year	4000	0.39	4000	0.39
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	4000	0.39	4000	0.39
13.	MOHIT BANSAL				
	At the beginning of the year	4000	0.38	4000	0.38
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	4000	0.38	4000	0.38

14.	ASHOK BHATIA				
	At the beginning of the year	4000	0.38	4000	0.38
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	4000	0.38	4000	0.38

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the compan	No. of shares	% of total shares of the company
1.	Sat Paul Bansal				
	At the beginning of the year	201100	19.56	201100	19.56
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	201100	19.56	201100	19.56
2.	Rajneesh Bansal				
	At the beginning of the year	149746	14.57	149746	14.57

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	149746	14.57	149746	14.57
3.	Sandeep Bansal				
	At the beginning of the year	144507	14.06	144507	14.06
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	144507	14.06	144507	14.06
4.	Sarita Rani Bansal				
	At the beginning of the year	144500	14.06	144500	14.06
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	144500	14.06	144500	14.06
5.	Dharam Pal Sharma				
	At the beginning of the year	NIL	NIL	NIL	NIL

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
6.	Uma Shankar Paliwal				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
7.	Arjun Pandurang Ghugal				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
8.	Ajay Arora				
	At the beginning of the year	NIL	NIL	NIL	NIL

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
9.	Dilbag Singh Sidhu				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
10.	Vigyan Prakash Arora				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
11.	Krishan Lall Khetarpaul *				
	At the beginning of the year	NIL	NIL	NIL	NIL

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
12.	Tilak Raj Khepar #				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
13.	*Bhupinder Kaur (CFO)				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
14.	Hardam Singh (CS)				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

***Shri Krishan Lall Khetarpaul had resigned from the Company w.e.f. 11-05-2018.**

#Shri Tilak Raj Khepar had resigned from the Company w.e.f. 14-08-2018.

***Mrs. Bhupinder Kaur joined on 07-02-2019**

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	17,37,50,509	Nil	Nil	17,37,50,509
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	17,37,50,509	Nil	Nil	17,37,50,509
Change in Indebtedness during the financial year				
· Addition				
· Reduction	-17,24,48,974			-17,24,48,974
Net Change	-17,24,48,974			-17,24,48,974
Indebtedness at the end of the financial year				
i) Principal Amount	13,01,535	Nil	Nil	13,01,535

ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	13,01,535	Nil	Nil	13,01,535

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars Remuneration	Name of MD/ WTD/ Manager			Total Amount (in Rs)
		SAT PAUL BANSAL (CMD) (In Rs)	RAJNEESH BANSAL (ED) (In Rs)	DHARAM PAL SHARMA (WTD) (In Rs)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	5,04,00,000 NIL NIL	42,00,000 28,85,824 NIL	8,45,038 NIL NIL	5,54,45,038 28,85,824 NIL
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil

4.	Commission - as % of profit - others, specify...	Nil Nil	Nil Nil	Nil NIL	Nil Nil
5.	Others, please specify	Nil	Nil	NIL	Nil
	Total (A)	5,04,00,000	70,85,824	8,45,038	5,83,30,862
	Ceiling as per the Act	Ceiling for Managerial Remuneration for the FY 2018-19 comes to Rs 1,91,52,832/- . * The Remuneration of Managing Director and Executive Director had been approved by the Shareholders of the Company by way of Special Resolution passed through the process of Postal Ballot dated 16-11-2018, wherein the Shareholders approved payment of the above remuneration, irrespective of the amount of profits of the Company. Vide the said Special Resolution, the shareholders had further approved that the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013.			

B. Remuneration to other directors:

Sl. no.	Particulars Remuneration	Name of Directors					Total Amount (In Rs)
		DILBAG SINGH SIDHU	VIGYAN PRAKASH ARORA	AJAY ARORA	UMA SHANKAR PALIWAL	ARJUN PANDURANG GHUGAL	
	1. Independent Directors						
	- Fee for attending board/ committee meetings	90,000	42,500	1,20,000	45,000	1,00,000	3,97,500
	- Commission	Nil	Nil	Nil	Nil	Nil	NIL
	- Others, please specify	Nil	Nil	Nil	Nil	Nil	NIL
	Total (1)	90,000	42,500	1,20,000	45,000	1,00,000	3,97,500

	2. Other Non-Executive Directors Fee for attending board committee meetings · Commission · Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	90,000	42,500	1,20,000	42,500	1,00,000	3,97,500
	Total Managerial Remuneration						5,87,28,362
	Overall Ceiling as per the Act	Ceiling for other Directors Remuneration for the FY 2018-19 comes to Rs. 19,15,283/- and actual remuneration paid to other directors during the year is within the overall ceiling. However, overall ceiling for all the directors including Managing Whole Time Directors comes to Rs. 21068116/- against which total remuneration of Rs. 58728632/- has been paid. As explained above, for payment of this remuneration, approval of the Shareholders of the Company by way of Special Resolution had been obtained.					

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total (Amount In Rs)
		CEO	Company Secretary (HARDAM SINGH)	CFO (TILAK RAJ KHEPAR)*	CFO (BHUPINDER KAUR)#	

1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	There is no CEO in the Company Nil Nil	27,65,520 Nil Nil	14,65,343 Nil Nil	2,24,414 Nil Nil	44,55,277 Nil Nil
2.	Stock Option	Nil	NIL	NIL	Nil	Nil
3.	Sweat Equity	Nil	NIL	NIL	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	NIL	NIL	Nil	Nil
5.	Others, please specify	Nil	NIL	NIL	Nil	Nil
	Total	NIL	27,65,520	14,65,343	2,24,414	44,55,277

**Sh. Tilak Raj Khepar had resigned from the Company w.e.f. 14.08.2019*

#Smt. Bhupinder Kaur was appointed as Chief Financial Officer of the Company w.e.f. 07.02.2019

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment	Authority (RD/ NCLT made./ Court)	Appeal if any (give details)
A. COMPANY					
Penalty					
Punishment					

Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For & On Behalf of the Board

For & On Behalf of the Board

Sd/-

Sd/-

(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
 (DIN 00077499)

(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
 (DIN 00077230)

PLACE: CHANDIGARH
Date: August 6, 2019

ANNEXURE D-4 TO THE DIRECTORS' REPORT

DETAILS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Rule	Particulars		
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Mr. Sat Paul Bansal	188:1
		Mr. Rajneesh Bansal	26:1
		Mr. Dharam Pal Sharma	3 :1
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	Mr. Sat Paul Bansal, CMD *	209%
		Mr. Rajneesh Bansal, ED #	-18%
		Mr. Dharam Pal Sharma, Whole Time Director	11%
		Mr. Tilak Raj Khepar, CFO (Till 14 Aug 2019) !	N.A.
		Ms. Bhupinder Kaur, CFO (w.e.f. 7 Feb 2019)	N.A.
	Mr. Hardam Singh, Company Secretary	15%	
		* The change took place due to payment of installment of Special Incentive of Rs. 3.60 Crores to CMD as per special approval of Shareholders. Otherwise the rate of Salary remained same. # The change took place due to non payment of commission, which is paid on the basis of profits. ! Resigned w.e.f. 14-08-2018 Ms. Bhupinder Kaur, CFO has joined only on 07-02-2019, as such comparable figures in her case for the previous year are not available Further, there is no CEO in the Company and there is no other Executive Director in the Company.	
(iii)	The percentage increase in the median remuneration of employees in the financial year.	4%	
(iv)	The number of permanent employees on the rolls of the company.	423	
(v)	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	Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year under review was 7%. Whereas the increase in the managerial remuneration is 127.33%. One major factor for this gap is payment of an installment of special	

	managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	incentive to the CMD. Further, the differentiation is based on Remuneration Policy of the Company that rewards people differentially based on their contribution to the success of the company and also ensures that external market competitiveness and internal relativities are taken care of.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	The Company affirms that the remuneration paid is as per the remuneration policy of the Company
(vii)	The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules read with Section 197 (12) of the Act is given in Annexure D-4 A , which forms part of this report.
	Note: the above information has been compiled in the light of notification no G.S.R. (E). dated 30th June, 2016	

For & On Behalf of the Board

For & On Behalf of the Board

(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
 (DIN 00077499)

(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
 (DIN 00077230)

PLACE: CHANDIGARH
Date: August 6, 2019

Annexure D-4 A

Sr.No.	Information	Details	Details	Details	Details	Details
		1	2	3	4	5
1	Name of Employee	Hardam Singh	Ritesh Vaid	Govindrajan K	Vijay Mohan	Shalini Sehgal
2	Designation of the Employee	Company Secretary	National Sales Head	Assistant Vice President	Head HR & Admin	Assistant Vice President
3	Remuneration Received (Rs)	2765520/-	2250984/-	1590375/-	1217727/-	2267055/-
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	CS, MBA & 20 Years Experience	MBA & 20 years Experience	Graduate & 33 years Experience	MBA, LLB & 29 Years Experience	MBA & 22 years Experience
6	Date of commencement of employment	02-Jun-03	01-Oct-08	17-Feb-06	20-Aug-16	01-Sep-08
7	The age of such employee	44 Years	42 Years	55 Years	52 Years	45 Years
8	The last employment held by such employee before joining the company	Eider Infotech Ltd	Wall Street Finance (P) Ltd	Shiram Group Companies	Alchemist LTD.	Country Inn & Suites By Carlson India
9	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of rule 5(2)	Nil	Nil	Nil	Nil	Nil
10	Whether any such employee is a relative of any director or manager of the company and	No	No	No	No	No

	if so, name of such director or manager:					
11	DOB	21-Jun-74	15-Nov-76	10-Jun-63	15-Feb-66	23-Aug-73

Sr.No.	Information	Details	Details	Details	Details	Details
		6	7	8	9	10
1	Name of Employee	Rajesh Garg (Till 28-02-2019)	Manish Sharda	Shweta Srivastava	M V Nageswara Rao	Rajni
2	Designation of the Employee	Deputy General Manager	Assistant Vice President	Chief Technical Officer	Senior Area Manager	Senior Area Manager
3	Remuneration Received (Rs.)	1209858/-	1261978/-	1434210/-	936042/-	942226/-
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	CA & 23 Years Experience	B.com. & 23 Years Experience	PGDM – IT & 18 years Experience	M.Com & 20 Years	M.A (Music), MBA Pursuing & 12 Years
6	Date of commencement of employment	15-Jun-13	1-Nov-10	1-Aug-17	14-May-09	30-Nov-15
7	The age of such employee	47 Years	43 Years	39 Years	44 Years	35 Years
8	The last employment held by such employee before joining the company	Fortis Healthcare Ltd.	HDFC Bank Ltd.	Savexpress Pvt Ltd.	TT Forex	VKC Forex Ltd.
9	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of rule 5(2)	Nil	Nil	Nil	Nil	Nil

10	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	No	No	No	No	No
11	DOB	15-Oct-71	02-Jan-76	26-Jun-79	27-Mar-75	15-Apr-83

NOTE:

1. The above information is as on 31-03-2019
2. Gross remuneration shown above is subject to tax and salary including arrears, allowances, Perquisites, leave encashment, Bonus, provident fund, in terms of actual expenditure incurred by the Company and commission.
3. During the Financial Year 2018-19, there was no employee who, if employed throughout the financial year, was in receipt of remuneration in the aggregate, not less than one crore and two lakh rupees
4. During the Financial Year 2018-19, there was no employee who, if employed for a part of the financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Eight Lakhs and Fifty Thousand Rupees per month
5. During the Financial Year 2018-19, there was no employee who, if employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was 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

For & On Behalf of the Board

For & On Behalf of the Board

(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
 (DIN 00077499)

(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
 (DIN 00077230)

PLACE: CHANDIGARH
Date: August 6, 2019

ANNEXURE D-5 TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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,
Paul Merchants Limited,
DSM 335, 336, 337, 3rd Floor,
DLF Tower, 15, Shivaji Marg, Najafgarh Road,
New Delhi- 110015.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PAUL MERCHANTS LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the PAUL MERCHANTS LIMITED'S 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PAUL MERCHANTS LIMITED ("the Company") for the financial year ended on March 31, 2019 according to the provisions of:

- (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) 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; to the extent applicable
- (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 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014: Not Applicable, as the Company did not provide any shares based benefits to the employees during the year.
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not applicable as the Company has not issued any securities during the financial year under review.
 - e) The erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Not applicable as the Company has not issued any debt securities during the financial year under review.
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 including the amendments thereof- Not applicable as the Company has not delisted any securities from any stock exchange during the financial year under review.
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not applicable as the Company has not bought back any of its securities during the financial year under review.
- (vi) The major provisions and requirements prescribed under all applicable Labour laws viz. The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Employee's State Insurance Act, 1948, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972 etc.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on BSE Limited;

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

Based on our examination and the information received and records maintained, I further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, 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.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.

3. All decisions are carried through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The Company has proper board processes.

Based on the compliance mechanism established by the Company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers, I am of an opinion that:

1. 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.
2. Based on the examination of the relevant documents and records on test check basis, the Company has Complied with the following laws specifically applicable to the Company:
 - a) The Reserve Bank of India Act, 1934
 - b) The Finance Act, 2016
 - c) Prevention of Money Laundering Act, 2002 and the Prevention of Money Laundering (Amendment) Act, 2012.

I further report that during the audit period, the following special resolutions were passed by the Company through postal Ballot:

1. Special resolutions dated 16.11.2018 through postal ballot:
 - a. to approve the payment of one-time special incentive to Shri. Sat Paul Bansal, Chairman-cum-Managing Director of the Company over and above his existing remuneration.
 - b. to approve the remuneration of Shri. Sat Paul Bansal, Chairman and Managing Director of the Company for the financial year 2018-19.
 - c. to approve the remuneration of Shri Rajneesh Bansal, Executive Director for the remaining part of his tenure upto 31.03.2020.

I further report that, apart from the instances stated above there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iii) Redemption / buy-back of securities.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Place: Chandigarh

Date : 06.08.2019

Sd/-
ANIL NEGI
ACS No. 46547
C P No.: 17213

ANNEXURE D-6 TO THE DIRECTORS' REPORT

FORM NO. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries**

1	Sl. No.	1	2
2	Name of the subsidiary	Paul Merchants Finance Private Limited	PML Realtors Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Different	Not Different
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not Different	Not Different
5	Share capital	31,01,71,750	25,00,00,000
6	Reserves & surplus	99,43,55,957	10,69,981
7	Total assets	1,86,71,59,878	25,17,73,344
8	Total Liabilities	56,26,32,171	7,03,362
9	Investments	-	7,41,19,215.12
10	Turnover	17,98,35,831	58,46,596
11	Profit before taxation	9,22,86,137	44,50,050
12	Provision for taxation	2,57,97,975	14,19,691
13	Profit after taxation	6,64,88,162	30,30,359
14	Proposed Dividend	-	-
15	% Shareholding	100%	100%

Notes : The following information shall be furnished at the end of the statement:

1. Names of Subsidiaries which are yet to commence operations
2. Names of Subsidiaries which have been liquidated or sold during the year

Part "B" : Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures		Horizon Remit Sdn. Bhd.,Malaysia
1	Latest audited Balance Sheet Date	31-12-2018
2	Shares of Joint Venture held by the company on the year end:-	
	No. of shares	16,93,797
	Amount of Investment in Associates/Joint Venture	3,04,72,125
	Extend of Holding %	19.424%
3	Description of how there is significant influence	Joint Venture
4	Reason why the associate/joint venture is not consolidated	Consolidated
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	41,55,293
6	Profit / Loss for the year	
	i. Considered in Consolidation	9,01,480
	ii. Not Considered in Consolidation	37,39,584

1. Names of associates or joint ventures which are yet to commence operations. NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year. NIL
3. There is no other Associate or Joint Venture Company.
4. Conversion rate as on 31 March, 2019 has been taken as Rs. 16.969 for one Malaysian Ringitt.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified

For & On Behalf of the Board

For & On Behalf of the Board

(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
 (DIN 00077499)

(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
 (DIN 00077230)

HARDAM SINGH
COMPANY SECRETARY
FCS-5046

BHUPINDER KAUR
CHIEF FINANCIAL OFFICER
FCA-508485

PLACE: CHANDIGARH
Date: August 6, 2019

ANNEXURE D-7 TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

- 1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:-**

Our CSR Vision

"To actively contribute to the social and economic development of the communities in which we operate. In so doing, to build a better, sustainable way of life for the weaker sections of society and to raise the country's human development index".

PML is vigilant in its enforcement towards corporate principles and is committed towards sustainable development and inclusive growth. The company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objective. It also pursues initiatives related to quality management, environment preservation and social awareness.

OUR CSR MISSION

The mission of our CSR projects are to –

- Demonstrate commitment to the common good through responsible business practices and good governance
- Actively support the state's development agenda to ensure sustainable change
- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models
- Engender a sense of empathy and equity among employees of PML to motivate them to give back to the society

PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN

Any activity as provided in the Schedule VII of the Companies Act, 2013 as decided by the CSR Committee as per the CSR Policy of the Company. During the year under review, the Company has undertaken CSR activities as per report given under point no. 5.

The CSR Policy of the Company is available on the website of the Company under the following weblink:-

<http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2018/08/CSR-Policy-new.pdf>

- 2. The composition of the CSR Committee:-**

Sh. Sandeep Bansal	Non Executive Director, Chairman
Sh. Rajneesh Bansal	Executive Director, Member
Sh. Vigyan Prakash Arora	Non Executive Independent Director, Member

3. Average net profit of the company for last three financial years :- Rs. 29,20,22,417/- (Rupees Twenty Nine Crore Twenty Lakhs Twenty Two Thousand Four Hundred Seventeen Only)

4. Prescribed CSR Expenditure (2 % of the amount as in item 2 above) :- Rs. 58,40,449/- (Rupees Fifty Eight Lakhs Forty Thousand Four Hundred Forty Nine Only).

Rounded off to Rs. 58,50,000/- (Rupees Fifty Eight Lakhs Fifty Thousand Only) while approving the budget.

5. Details of CSR spent during the financial year:-

- Total amount to be spent for the financial year; - Rs. 58,50,000/-
- Amount actually spent during the year :- Rs. 58,73,777/-
- Amount unspent, if any; NIL
- Manner in which the amount spent during the financial year is detailed below.

1	2	3	4	5	6	7	8
S.No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise for the FY 2018-19 (In Rs.)	Amount spent on the projects or programs Subheads: for the FY 2018-19 (1) Direct expenditure on projects or programs (2) Overheads (in Rs.)	Cumulative expenditure upto the reporting period for FY 2018-19. (In Rs.)	Amount spent: Direct or through implementing agency
1.	Animal Welfare	Supply of Fodder for Cows	Local State & Distt. - Chandigarh	67,200/-	Direct – 67,200/- Nil	67,200/-	Through Implementing Agency Shri Shirdi Sai Smaj Trust, Chandigarh
2.	Eradicating Hunger	Organizing Community Lunch	Local State & Distt. - Chandigarh	11,000/-	Direct: 11,000/- Overheads: Nil	11,000/-	Through Implementing Agency Shiv Shakti Sewa Mandal, Chandigarh
3.	Eradicating Hunger	Organizing Community Lunch	Local State & Distt. - Chandigarh	5,42,547/-	Direct – 5,42,547/- Overheads: Nil	5,42,547/-	Direct
4.	Eradicating Hunger	Organizing Community Lunch	Local State & Distt. - Chandigarh	4,29,300/-	Direct - 4,29,300/- Overheads: Nil	4,29,300/-	Through Implementing Agency Shree Mata Mansa Devi Bhandara Committee, Panchkula

5.	Promoting Sanitation	Construction of Washrooms	Local	40,227/-	Direct – 40,227/-	40,227/-	Direct
			State: Uttar Pradesh Distt- Saharanpur		Overheads: Nil		
6.	Setting Up Old Age Home	Setting up of an Old Age Home at Kolkatta	Local	25,00,000/-	Direct – 25,00,000/-	25,00,000/-	Through Implementing Agency M/s Jeevan Sandhya Foundation, Kolkatta
			State: West Bengal Distt. – Kolkatta		Overheads: Nil		
7.	Promoting Education	Scholarship to Bright and needy Girl Students of DAV School, Sector 7, Chandigarh	Local	4,71,600/-	Direct – 4,71,600/-	4,71,600/-	Direct
			State & Distt. - Chandigarh		Overheads: Nil		
8.	Promoting Education	Provided Uniforms and Note Books to needy students of Govt School at Tapa Mandi	Local	2,26,400/-	Direct – 2,26,400/-	2,26,400/-	Direct
			State: Punjab Distt: Barnala		Overheads: Nil		
9.	Promoting employment enhancing vocational skills	Setting-up of Training Centre for providing free cost training in Stitching & Tailoring Activities for Women	Local	57,000/-	Direct – 57,000/-	57,000/-	Direct
			State: Punjab Distt: Barnala		Overheads: Nil		
10.	Promoting Health Care	Ambulance Service	Local	1,54,000/-	Direct – 1,54,000/-	1,54,000/-	Through Implementing Agency M/s Mini Sahara Welfare Club (Regd.), Tapa Mandi
			State: Punjab Distt: Barnala		Overheads: Nil		
11.	Promoting Health Care	Providing Drinking Water, Food & Beverages and maintenance of Sarai at Govt Hospital, Sector 32, Chandigarh	Local	1,49,355/-	Direct – 1,49,355/-	1,49,355/-	Direct
			State & Distt. - Chandigarh		Overheads: Nil		
12.	Promoting Health Care	Providing a Multi Utility Vehicle to Disability Assessment Rehabilitation and Triage Centre, Govt Hospital, Sector 32, Chandigarh	Local	4,00,148/-	Direct – 4,00,148/-	4,00,148/-	Direct
			State & Distt. - Chandigarh		Overheads: Nil		

13	Promoting Health Care	Providing free diagnostic services to needy and weaker section of the Society.	Other	5,75,000/-	Direct – 5,75,000/-	5,75,000/-	Through implementing agency Maharaja Aggarsain Charitable Trust, Panchkula
			State- Haryana Distt. Panchkula		Overheads: Nil		
14	Administrative Overheads	Proportionate Salary of one employee involved in CSR activities	Local	2,50,000/-	Direct – Nil	2,50,000/-	Direct
			State & Distt. - Chandigarh		Overheads 2,50,000/-		
TOTAL					Direct– 56,23,777/-		
					Overheads– 2,50,000/-		

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The CSR Committee do hereby certify that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

**Sd/-
Sat Paul Bansal
(DIN 00077499)
(Chairman cum Managing Director)**

For & On Behalf of the Board

**(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)**

**sd/-
(Sandeep Bansal)
(DIN 00094391)
(Chairman CSR Committee)**

For & On Behalf of the Board

**(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)**

**PLACE: CHANDIGARH
Date: August 6, 2019**

ANNEXURE D-8 TO THE DIRECTORS' REPORT

Details of Loans			
Sr. No.	Name of Entity/Person	Amount (in Rs.)	Purpose
1	Paul Merchants Finance (P) Ltd	39,90,00,000/- *	Working Capital
	*Balance outstanding as on 31-03-2019 is Rs. 35,11,71,836 (including accrued interest)		
Details of Guarantees and Securities			
Sr. No.	Name of Entity/Person	Amount	Purpose
1	During the Financial year 2018-19, Rs. 20 crore guarantee issued to ICICI Bank and Rs. 20 Crore to Kotak Mahindra Bank respectively for Working capital loan availed by Paul Merchants Finance Private Limited, the Wholly Owned Subsidiary of the Company.		
2	Tax Free bonds valued at Rs. 2832 Lakhs as on 31-03-2019 have been pledged by the Company with Kotak Bank for securing Working Capital Loan taken by Paul Merchants Finance (P) Limited, the Wholly Owned Subsidiary of the Company		
3	Pledged its property known as SCO 827-828, Sector 22-A, Chandigarh in favour of ICICI Bank to secure loan facilities sanctioned by the bank to M/s Paul Merchants Finance (P) Limited, the Wholly Owned Subsidiary of the Company, amounting to Rs. 1.00 Crore		

Details of Investments

B. Investment in Mutual Funds

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	Aditya Birla Sun Life Corporate Bond Fund	1,25,695	To park surplus funds
2	Aditya Birla Sun life Pure Value Fund	12,04,602	-do-
3	ASK Equity PMS	25,06,459	-do-
4	Axis Focused 25 Fund Direct Plan Growth	3,81,502	-do-
5	Axis Liquid Fund	2,20,88,300	-do-
6	HDFC Liquid Fund Direct Plan Growth	6,32,972	-do-
7	HDFC Capital Builder Fund- Growth	13,98,295	-do-

8	HDFC MID-CAP Opportunities Fund - Growth	1,90,968	-do-
9	HDFC Small Cap Fund Direct Plan Growth	4,15,235	-do-
10	L&T India Value Fund-Regular Plan -Growth	4,75,171	-do-
11	L&T Liquid Fund Direct Plan Growth	6,93,224	-do-
12	L&T Liquid Fund	5,59,912	-do-
13	L&T India Value Fund Direct Plan Growth	3,50,022	-do-
14	IDFC Fixed Term Plan Series 149 Direct Plan	3,23,34,300	-do-
15	IDFC Sterling Equity Fund Regular Plan Growth 2089	9,46,779	-do-
16	Kotak Liquid Fund	6,32,846	-do-
17	Kotak Equity Arbitrage fund Direct fortnightly Dividend Plan	7,70,97,663	-do-
18	Kotak Standard Multi cap Fund Direct Plan Growth	4,18,377	-do-
19	Mirae Asset Cash Management Fund	6,12,853	-do-
20	Mirae Asset India Equity Fund Direct Plan	4,35,596	-do-
21	UTI Arbitrage Fund Direct Plan Dividend Reinvestment	5,06,76,711	-do-

C. Investments in Tax Free Bonds -Quoted at FVTPL- Pledged *

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	7.03 % Housing and Urban Development Corporation Limited	1,22,84,640	To park surplus funds
2	8.56 % Housing and Urban Development Corporation Limited	2,52,29,134	-do-
3	8.48% India Infrastructure Finance Company Limited	5,97,39,203	-do-
4	8.54% Power Finance Corporation Limited	5,92,40,500	-do-
5	Rural Electrification Corporation Limited	2,26,99,208	-do-
6	7.22% Rural Electrification Corporation Limited	1,36,63,520	-do-
7	7.55% Indian Railway Finance corporation	2,12,39,096	-do-

8	8.20% NHAH 2022	2,17,35,600	-do-
9	8.20% Power Finance Corporation Ltd	1,51,61,426	-do-
10	7.62% HUDCO 11 Nov 21	2,11,22,023	-do-
11	6.70% IRFC 8 March 2020	53,22,211	-do-
12	8.23% IRFC 18 Feb 24	57,58,911	-do-

D. Investments in Listed Non convertible Debentures -Quoted at FVTPL

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	IIFL Wealth Finance Limited -8.25 MLD	6,85,43,400	To park surplus funds
2	Kotak Mahindra Prime Limited 8.70% MLD	4,25,80,000	-do-
3	Aditya Birla Finance Limited MLD NCD	3,06,72,000	-do-
4	HDB Financial Services Limited MLD	3,03,21,000	-do-
5	IIFL Wealth Finance Limited -9.25 MLD	1,09,94,100	-do-
6	Muthoot Finance Limited 9.5% MLD	10,50,000	-do-
7	Tata Capital Financial Services Ltd MLD	2,02,40,000	-do-
8	Tata Capital Financial Services Ltd MLD ASK	3,02,49,000	-do-

E. Investments in Bonds and debentures -Unquoted at FVTPL

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	Rural Electrification Corporation Limited -Capital Gain Bonds	52,02,089	To park surplus funds

F. Investments in Preference Shares- Quoted at FVTPL

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	6% Zee Entertainment Enterprises Limited	1,66,91,640	To park surplus funds

G. Investments in Equity- Unquoted at FVTPL

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	Aventus Enhanced Return Fund Class A1 Folio No. 32	5,40,65,873	To park surplus funds
2	Aventus Absolute Return Fund Long Short Cat 3	5,28,60,881	-do-
3	Estee Advisors Private Limited -PMS	5,40,06,875	-do-
4	India Real Estate Fund	1,10,00,000	-do-

	GRAND TOTAL OF INVESTMETNS	90,58,49,814	
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*Note: Investments measured at Fair Value Through Profit & Loss

For & On Behalf of the Board

For & On Behalf of the Board

(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
 (DIN 00077499)

(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
 (DIN 00077230)

PLACE: CHANDIGARH
Date: August 6, 2019

ANNEXURE D-9 TO THE DIRECTORS' REPORT

FOR M 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 arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. - **NIL**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	/
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at Arm's length basis.

Name(s) of the related party and nature of relationship	Bhupinder Kaur – Chief Financial Officer (appointed w.e.f. 07.02.2019)
Nature of contracts/arrangements/transactions	Salary, Incentive & Performance Bonus Paid
Duration of the contracts/arrangements/transactions	No Fixed Tenure
Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> * Salary is payable per month * Annual Performance Bonus * Annual Incentive Annual Remuneration paid during the FY 2018-19 is Rs. 2,24,014/-
Date(s) of approval by the Board, if any	07.02.2019

Amount paid as advances, if any:	NIL.
Name(s) of the related party and nature of relationship	Dharam Pal Sharma – Whole Time Director (DIN 07284332)
Nature of contracts/arrangements/transactions	Salary, Incentive & Performance Bonus Paid
Duration of the contracts/arrangements/transactions	From 09/11/2015 to 31/03/2020
Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> * Salary is payable per month * Annual Performance Bonus * Annual Incentive Annual Remuneration paid during the FY 2018-19 is Rs. 8,45,038/-
Date(s) of approval by the Board, if any	28.05.2018
Amount paid as advances, if any:	NIL.
Name(s) of the related party and nature of relationship	Hardam Singh – Company Secretary
Nature of contracts/arrangements/transactions	Salary, Incentive & Performance Bonus Paid
Duration of the contracts/arrangements/transactions	No Fixed Tenure
Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> * Salary is payable per month * Annual Performance Bonus * Annual Incentive Annual Remuneration paid during the FY 2018-19 is Rs. 27,65,520/-
Date(s) of approval by the Board, if any	28.05.2018
Amount paid as advances, if any:	NIL.
Name(s) of the related party and nature of relationship	Tilak Raj Khepar – Chief Financial Officer (resigned w.e.f. 14.08.2018)
Nature of contracts/arrangements/transactions	Salary, Incentive & Performance Bonus Paid
Duration of the contracts/arrangements/transactions	No Fixed Tenure

Salient terms of the contracts or arrangements or transactions including the value, if any:	* Salary is payable per month * Annual Performance Bonus * Annual Incentive Annual Remuneration paid during the FY 2018-19 is Rs. 14,65,343/-	
Date(s) of approval by the Board, if any	29.05.2017	
Amount paid as advances, if any:	NIL.	
Name(s) of the related party and nature of relationship	Rajneesh Bansal - Executive Director (DIN 00077230)	
Nature of contracts/arrangements/transactions	Rent Agreement in respect of taking on lease Shop No. 3, 4A,4B & 4C, Lower Ground Floor, Alfa Estate Building, Jalandhar	
Duration of the contracts/arrangements/transactions	01/04/2016 to 31/03/2019 and renewed thereafter from 01/04/2019 to 31/03/2022	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 36,733/- per month from 01.04.2018 to 31.03.2019
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
Date(s) of approval by the Board, if any	12.02.2013	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Rajneesh Bansal - Executive Director (DIN 00077230)	
Nature of contracts/arrangements/transactions	Rent Agreement in respect of taking on lease Shop No. 1A, Ground Floor, Mcleodganj, Dharamshala	
Duration of the contracts/arrangements/transactions	01/04/2017 to 31/03/2020	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 68,025/- per month from 01.04.2018 to 31.03.2019
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
Date(s) of approval by the Board, if any	07.02.2014	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Rajneesh Bansal - Executive Director (DIN 00077230)	
Nature of contracts/arrangements/transactions	Rent Agreement in respect of taking on lease Kothi measuring 01 Kanal 04	

	Marlas situated at Village Kansal (Teh. Kharar), Punjab	
Duration of the contracts/arrangements/transactions	01/04/2016 to 31/03/2019 (Discontinued the rent agreement w.e.f. 01.10.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 36,733/- per month from 01.04.2018 to 31.03.2019
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
Date(s) of approval by the Board, if any	26.02.2012	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Rajneesh Bansal - Executive Director (DIN 00077230)	
Nature of contracts/arrangements/transactions	Rent Agreement in respect of taking on lease Adjoining parking area of Paul Farm House & Kothi (907 Sq yards) at Kansal (PUNJAB)	
Duration of the contracts/arrangements/transactions	01/09/2016 to 31/08/2019 (Discontinued the rent agreement w.e.f. 01.10.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 19,980/- per month from 01.04.2018 to 31.08.2018 and Rs. 21,578.50/- per month from 01.09.2018 to 31.03.2019
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
Date(s) of approval by the Board, if any	11.08.2016	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Rajneesh Bansal - Executive Director (DIN 00077230)	
Nature of contracts/arrangements/transactions	Rent Agreement in respect of taking on lease Flat No. 6 on 1st Floor of 3 Storied Residential Building- Built up Area 120.33 Sq. meters, Kasauli, Distt. Solan (H.P.)	
Duration of the contracts/arrangements/transactions	01/09/2016 to 31/08/2019 (Discontinued the Rent Agreement w.e.f. 01.10.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 10,800/- per month from 01.04.2017 to 31.08.2018 and

		Rs.11,664/- per month from 01.09.2018 to 31.03.2019
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
Date(s) of approval by the Board, if any	11.08.2016	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Rajneesh Bansal - Executive Director (DIN 00077230)
Nature of contracts/arrangements/transactions	Salary & Commission
Duration of the contracts/arrangements/transactions	01.04.2015 to 31.03.2020
Salient terms of the contracts or arrangements or transactions including the value, if any:	<p>i. Salary is payable per month ii. Commission @ 2% of the Net Profits is payable at the end of the FY on recommendation of the Nomination & Remuneration Committee</p> <p>Annual Remuneration paid during the FY 2018-19 is Rs. 70,85,824/-. No amount of Commission has been paid during the year.</p>
Date(s) of approval by the Board, if any	13.08.2018
Amount paid as advances, if any:	Nil.
Name(s) of the related party and nature of relationship	Sat Paul Bansal – Chairman cum Managing Director (DIN 00077499)
Nature of contracts/arrangements/transactions	Acquisition of the equity shares of Paul Merchants Finance (Pvt.) Ltd. from him
Duration of the contracts/arrangements/transactions	Not Applicable -
Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> • No. of Shares acquired by the Company: 843517. One share left in his name who he holds as a Nominee of the Company • Type of Share : Equity Share • Value per share: Rs. 48.81/- • Total Amount Paid: Rs. 4,11,72,113/-

Date(s) of approval by the Board, if any	28.05.2018	
Amount paid as advances, if any:	The Sale consideration for the shares was paid in advance before Transfer of the shares	
Name(s) of the related party and nature of relationship	Sat Paul Bansal – Chairman Cum Managing Director	
Nature of contracts/arrangements/ transactions	Salary & Commission	
Duration of the contracts/ arrangements/transactions	From 01.04.2014 to 31.03.2019	
Salient terms of the contracts or arrangements or transactions including the value, if any:	i. Salary is payable per month ii. Commission @ 2% of the Net Profits is payable at the end of the FY on recommendation of the Nomination & Remuneration Committee iii. Annual Value of the arrangement is Rs. 5,04,00,000/- including Commission	
Date(s) of approval by the Board, if any	13.08.2018	
Amount paid as advances, if any:	Nil.	
Name(s) of the related party and nature of relationship	Sandeep Bansal - Director (DIN 00094391)	
Nature of contracts/arrangements/transactions	Rent Agreement in respect of taking on lease Kothi measuring 01 Kanal 04 Marlas situated at Village Kansal (Teh. Kharar), Punjab	
Duration of the contracts/arrangements/transactions	01/04/2017 to 31/03/2020 (Discontinued the Rent Agreement w.e.f. 01.10.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 36,733/- per month from 01.04.2018 to 31.03.2019
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
Date(s) of approval by the Board, if any	26.02.2012	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Sandeep Bansal - Director (DIN 00094391)	
Nature of contracts/arrangements/transactions	Rent Agreement in respect of taking on lease adjoining parking area of Paul Farm House & Kothi (907 Sq yards) at Kansal (PUNJAB)	

Duration of the contracts/arrangements/transactions	01/09/2016 to 31/08/2019 (Discontinued the Rent Agreement w.e.f. 01.10.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 19,980/- per month from 01.04.2018 to 31.08.2018 and Rs. 21,578.50/- per month from 01.09.2018 to 31.03.2019
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
Date(s) of approval by the Board, if any	11.08.2016	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Sarita Rani Bansal – Non- Executive Director (DIN 00094504)	
Nature of contracts/arrangements/transactions	Acquisition of the 2971064 equity shares of Paul Merchants Finance (Pvt.) Ltd. from her	
Duration of the contracts/arrangements/transactions	Not Applicable -	
Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> • No. of Shares acquired by the Company: 2971064 • Type of Share : Equity Share • Value per share: Rs. 48.81/- • Total Amount Paid: Rs. 14,50,17,634/- 	
Date(s) of approval by the Board, if any	28.05.2018	
Amount paid as advances, if any:	The Sale consideration for the shares was paid in advance before Transfer of the shares	
Name(s) of the related party and nature of relationship	PML Realtors (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/transactions	Acquisition of 3,00,000 Equity Shares @ Rs. 10/- per share from her. Out of this, one share was acquired in the name of Mr. Sat Paul Bansal as nominee of the Company	
Duration of the contracts/arrangements/transactions	Not Applicable -	
Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> • No. of Shares acquired by the Company: 3,00,000 on 06-04-2018. Out of this, one share was acquired in the name of Mr. Sat Paul Bansal as nominee of the Company • Type of Share : Equity Share 	

	<ul style="list-style-type: none"> Value per share: Rs. 10/- Total Amount Paid: Rs. 30,00,000/- 						
Date(s) of approval by the Board, if any	14.02.2018						
Amount paid as advances, if any:	The Sale consideration for the shares was paid in advance before Allotment of the shares						
Name(s) of the related party and nature of relationship	EBIX Money Express (Pvt.) Ltd.						
Nature of contracts/arrangements/transactions	Rent Agreement in respect of entire 1st Floor of Company's Property known as SCO 827-828, Sector 22-A, Chandigarh						
Duration of the contracts/arrangements/transactions	From 01/04/2018 to 31/03/2023						
Salient terms of the contracts or arrangements or transactions including the value, if any:	<table border="1"> <tr> <td>Rate of Rent</td> <td>Rs. 3,00,000/- plus GST per month from 01.04.2018 to 31.03.2019</td> </tr> <tr> <td>Annual Increase</td> <td>7%</td> </tr> <tr> <td>Local Levies</td> <td>Will be borne by the Lessee</td> </tr> </table>	Rate of Rent	Rs. 3,00,000/- plus GST per month from 01.04.2018 to 31.03.2019	Annual Increase	7%	Local Levies	Will be borne by the Lessee
	Rate of Rent	Rs. 3,00,000/- plus GST per month from 01.04.2018 to 31.03.2019					
	Annual Increase	7%					
Local Levies	Will be borne by the Lessee						
Date(s) of approval by the Board, if any	14.02.2018						
Amount paid as advances, if any:	Rent is received in advance on monthly basis.						
Name(s) of the related party and nature of relationship	EBIX Money Express (Pvt.) Ltd.						
Nature of contracts/arrangements/transactions	Rent Agreement in respect of Company's Property known as Office Space No. 109, 1st Floor, Diamond Prestige 41A, Acharya Jagdish Chander Bose Road, Kolkata						
Duration of the contracts/arrangements/transactions	From 19/04/2018 to 18/04/2023 (Discontinued the Rent Agreement w.e.f. 16.01.2019)						
Salient terms of the contracts or arrangements or transactions including the value, if any:	<table border="1"> <tr> <td>Rate of Rent</td> <td>Rs. 82,720/- plus GST per month from 19.04.2018 to 18.04.2019 and Rs. 88,510/- plus GST per month w.e.f. 19.04.2019</td> </tr> <tr> <td>Annual Increase</td> <td>7%</td> </tr> </table>	Rate of Rent	Rs. 82,720/- plus GST per month from 19.04.2018 to 18.04.2019 and Rs. 88,510/- plus GST per month w.e.f. 19.04.2019	Annual Increase	7%		
	Rate of Rent	Rs. 82,720/- plus GST per month from 19.04.2018 to 18.04.2019 and Rs. 88,510/- plus GST per month w.e.f. 19.04.2019					
Annual Increase	7%						

	Local Levies	Will be borne by Lessee
Date(s) of approval by the Board, if any	14.02.2018	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	EBIX Money Express (Pvt.) Ltd.	
Nature of contracts/arrangements/ transactions	Commission received in respect of MTSS Services provided by the Company as their Sub Agent	
Duration of the contracts/ arrangements/transactions	Perpetual Agreement w.e.f. 01-01-2018	
Salient terms of the contracts or arrangements or transactions including the value, if any:	50% of Service Charges and Foreign Exchange Gains on MTSS Transactions are shared by Ebix with the Company. During the year Rs. 1,34,74,090/- has been received	
Date(s) of approval by the Board, if any	21.09.2017	
Amount paid as advances, if any:	NA	
Name(s) of the related party and nature of relationship	EBIX Money Express (Pvt.) Ltd.	
Nature of contracts/arrangements/ transactions	Consideration received for the sale of Equity shares of the Company held in EBIX Money Express (Pvt.) Ltd. to EBIXCASH World Money Limited	
Duration of the contracts/ arrangements/transactions	Not Applicable -	
Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> • No. of Shares acquired by the Company: 1577778 • Type of Share : Equity Share • Value per share: Rs. 216.76/- • Total Amount received: Rs. 34,20,00,000/- 	
Date(s) of approval by the Board, if any	21.09.2017	
Amount paid as advances, if any:	The Sale consideration for the shares was received in advance before Transfer of the shares	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Rent Agreement in respect of Office Premises at SCO No. 3-4, Ground Floor, Shree Balaji Complex, Patiala Road, Zirakpur	

Duration of the contracts/arrangements/transactions	From 01/01/2018 to 30/11/2018 (Discontinued the Rent Agreement w.e.f. 01.12.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	For taking the office premises on rent. Rate of Rent was Rs. 58,320/- per month from 01.04.2018 to 31.10.2018 and Rs. 62,986/- per month from 01.11.2018
	Annual Increase	8%
	Local Levies	Will be borne by the Lessor
Date(s) of approval by the Board, if any	13.08.2015	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/transactions	Rent Agreement for taking the office premises known as 6351/14, 1st floor, Nicholson Road, Punjabi Mohalla, Ambala Cantt., Haryana on rent	
Duration of the contracts/arrangements/transactions	From 01/07/2016 to 30/06/2021 (Discontinued the Rent Agreement w.e.f. 01.11.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 10,500/- per month from 01.04.2018 to 30.06.2018 and Rs. 11,025/- per month from 01.07.2018
	Annual Increase	In case future rent is revised between Paul Merchants Finance (P) Ltd and the actual landlord, then the Company will pay 50% of the increased rent payable by Paul Merchants Finance (P) Ltd.
	Local Levies	Will be borne by the Lessor
Date(s) of approval by the Board, if any	24.05.2016	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/transactions	Rent Agreement for taking Office Premises at DSS No. 207, Sector-12, Part-I, Urban Estate, Karnal, Haryana on rent	
Duration of the contracts/arrangements/transactions	From 01/03/2018- 31/12/2026 (Discontinued the Rent Agreement w.e.f. 01.11.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 22,500/- per month from 01.04.2018 to 31.03.2019
	Annual Increase	In case future rent is revised between Paul Merchants Finance (P) Ltd and the actual landlord, then the Company will pay 50% of the rent payable by Paul Merchants Finance (P) Ltd.
	Local Levies	50% of Utility Bills shall be paid by the Company on actual usage basis (GST as applicable shall be paid by the Lessee)
Date(s) of approval by the Board, if any	14.02.2018	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/transactions	Rent Agreement for taking the Office Premises at 1st Half on 1st Floor, above Matrix Saloon, Near Kessal Mall, Kurukshetra, bearing SCO No. 39, Sector -17, Kurukshetra, Haryana on rent	
Duration of the contracts/arrangements/transactions	From 01/03/2018 to 31/12/2026	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 9000/- per month from 01.04.2018 to 31.03.2019
	Annual Increase	In case future rent is revised between Paul Merchants Finance (P) Ltd and the actual landlord, then the Company will pay 50% of the rent payable by Paul

		Merchants Finance (P) Ltd.
	Local Levies	50% of Utility Bills shall be paid by M/s Paul Merchants Ltd. on actual usage basis (GST as applicable shall be paid by the Lessee)
Date(s) of approval by the Board, if any	14.02.2018	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for taking Office Premises at SCO No. 24, Beant Singh Aman Nagar, Part 2, District Rupnagar Punjab on rent	
Duration of the contracts/ arrangements/transactions	From 01/12/2018 to 30/11/2027 (Discontinued the Rent Agreement w.e.f. 01.01.2019)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 19,000/- per month from 01.12.2018 to 31.03.2019
	Annual Increase	In case future rent is revised between Paul Merchants Finance (P) Ltd and the actual landlord, then the Company will pay 50% of the rent payable by Paul Merchants Finance (P) Ltd.
	Local Levies	50% of the total Bills will be borne by the Lessee.
Date(s) of approval by the Board, if any	13.11.2018	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion at Ground Floor of SCO 829-830, Sector 22-A, Chandigarh on rent	
Duration of the contracts/ arrangements/transactions	15/09/2016 to 14/09/2019	

Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 45,980/- per month from 01.04.2018 to 31.03.2019
	Annual Increase	8%
	Local Levies	Local levies and utility bills included in rent. (Service tax payable by the Lessee)
Date(s) of approval by the Board, if any	17.08.2012	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion at booth No. 17, Phase VII, Mohali on rent	
Duration of the contracts/ arrangements/transactions	15/09/2016 to 14/09/2019 (Discontinued the Rent Agreement w.e.f. 01.12.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 26,453/- per month from 01.04.2018 to 30.11.2018 and Rs.28,569 /- per month w.e.f. 01.12.2018
	Annual Increase	8%
	Local Levies	Local levies and utility bills included in rent.
Date(s) of approval by the Board, if any	25.10.2014	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/ arrangements/transactions	Rent Agreement for giving a portion of Shop No. 37, Lower Ground floor, Handa's City Centre, opposite Bus Stand, G.T. Road, Phagwara, Distt. Kapurthala on rent	
Duration of the contracts/arrangements/ transactions	01/04/2016 to 31/03/2019	
	Rate of Rent	Rs. 15,488/- per month from

Salient terms of the contracts or arrangements or transactions including the value, if any:		01.04.2018 to 31.03.2019
	Annual Increase	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent payable by the Company.
	Local Levies	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Merchants Finance (P) Ltd.
Date(s) of approval by the Board, if any	11.02.2016	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion of Ground Floor, Shop No. 5, Deep Complex, Court Road, Opposite Doaba Automobile, Amritsar on rent	
Duration of the contracts/ arrangements/transactions	01/01/2017 to 31/12/2019 (Discontinued the Rent Agreement w.e.f. 01.12.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 21,525/- per month from 01.04.2018 to 30.06.2018 and Rs. 22,601 /- per month w.e.f. 01.07.2018
	Annual Increase	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent payable by the Company.
	Local Levies	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul

		Merchants Finance (P) Ltd.
Date(s) of approval by the Board, if any	24.05.2016	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion at Hardiyal complex, Ground Floor, Near Jain Sweet, Opp. Bus Stand, G.T. Road, Khanna, tehsil – Khanna on rent	
Duration of the contracts/ arrangements/transactions	01/11/2016 to 31/10/2019 (Discontinued the Rent Agreement w.e.f. 01.12.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 12,862/- per month from 01.04.2018 to 30.10.2018 and Rs.13,505 /- per month w.e.f. 01.11.2018
	Annual Increase	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent payable by the Company.
	Local Levies	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Merchants Finance (P) Ltd.
Date(s) of approval by the Board, if any	24.05.2016	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion of Ground Floor, Shop No. 3039A, Sharma Complex House Road, Opp. Traffic Police, Bathinda on rent.	

Duration of the contracts/arrangements/transactions	01/04/2016 to 31/03/2019	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 13,225/- per month from 01.04.2018 to 31.03.2019
	Annual Increase	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent payable by the Company.
	Local Levies	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Merchants Finance (P) Ltd.
Date(s) of approval by the Board, if any	24.05.2016	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion of SCO no. 14, 1st floor, Green Park Avenue, Canal Colony, Pakhowal Road, Ludhiana on rent	
Duration of the contracts/arrangements/ transactions	01/06/2017 to 21/04/2026	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 35,525/- per month from 01.04.2018 to 30.04.2018 and Rs. 36,750/- per month from 01.05.2018 to 31.03.2019
	Annual Increase	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent

		payable by the Company.
	Local Levies	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Merchants Finance (P) Ltd.
Date(s) of approval by the Board, if any	29.05.2017	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion of Shop no BXI 207, KC road, Barnala on rent.	
Duration of the contracts/ arrangements/transactions	01/03/2018 to 28/02/2021 (Discontinued the Rent Agreement w.e.f. 01.12.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 15,000/- per month from 01.04.2018 to 30.04.2018 and Rs. 15,750/- from 01.05.2018 to 31.03.2019
	Annual Increase	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent payable by the Company.
	Local Levies	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Merchants Finance (P) Ltd.
Date(s) of approval by the Board, if any	29.05.2017	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion of Shop No. 2, York Building, Near Radisson Hotel, BMC Chowk, Jalandhar on rent.	
Duration of the contracts/ arrangements/transactions	15/02/2018 to 14/02/2021 (Discontinued the Rent Agreement w.e.f. 01.11.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 30,000/- per month from 01.04.2018 to 31.03.2019
	Annual Increase	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent payable by the Company.
	Local Levies	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Merchants Finance (P) Ltd.
Date(s) of approval by the Board, if any	14.02.2018	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion of Shop situated at Jubilee Cinema Chowk, College Road, Opp. Canara Bank, College Road, Faridkot on rent.	
Duration of the contracts/ arrangements/transactions	16/08/2018 to 30/04/2020	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 6500/- plus GST per month from 16.08.2018 to 31.03.2019
	Annual Increase	In case future rent is revised between the Company and the actual landlord, then Paul Merchants

		Finance (P) Ltd. will pay 50% of the rent payable by the Company.
	Local Levies	50% of Electricity Bills, & GST shall be payable by Paul Merchants Finance (P) Ltd.
Date(s) of approval by the Board, if any	13.08.2018	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion of Ground floor, Ambedkar Chowk, Opp. Rai Market, Teh. Nawanshahar Distt. S.B.S Nagar on rent.	
Duration of the contracts/ arrangements/transactions	01/08/2016 to 31/07/2019 (Discontinued the Rent Agreement w.e.f. 01.12.2018)	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 23000/- plus GST per month from 01.04.2018 to 31.03.2019
	Annual Increase	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent payable by the Company.
	Local Levies	50% of Utility Bills, Security Guard expenses and all other applicable taxes will be borne by M/s Paul Merchants Finance (P) Ltd.
Date(s) of approval by the Board, if any	24.05.2016	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL)– Wholly Owned Subsidiary Company	

Nature of contracts/arrangements/ transactions	Commission earned on Domestic Money Transfer (DMT) Services	
Duration of the contracts/ arrangements/transactions	Perpetual Distributor Agreement dated 16.11.2015 & Amendment Agreement dated 10.02.2017 vide which the Company is acting as a Distributor of Paul Merchants Finance (Pvt.) Ltd for offering DMT Services	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate	On every Transaction of DMT processed by the Company, the Company is entitled to 2/3 rd of the Gross Commission. There are two models of funds settlement. Under one mode, the service charges received from the customer are passed on to PMFPL after retaining the commission and in second model, entire Service charges received from the customer are passed on to PMFPL and PMFPL releases the commission to the Company. Accordingly, a sum of Rs. 7,64,303/- has been earned by the Company as Gross Commission under this Model.
	Annual Increase	NA
Date(s) of approval by the Board, if any	Perpetual Distributor Agreement approved on 09.11.2015 & Amendment Agreement was approved on 09.02.2017	
Amount paid as advances, if any:	As mutually agreed from time to time.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Service charges received for INDO-NEPAL DMT Services	

Duration of the contracts/ arrangements/ transactions	Addendum dated 17.11.2018 to the Perpetual Distributor Agreement dated 16.11.2015, vide which the Company is acting as a Distributor of PMFPL for offering Indo Nepal Money Transfer Services	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate	On every Transaction of Indo Nepal Money Transfer, the Company is entitled to 2/3 rd of the Gross Commission. A sum of Rs. 2,64,267/- has been received as commission from Paul Merchants Finance (Pvt.) Ltd on this account.
	Annual Increase	NA
Date(s) of approval by the Board, if any	Addendum approved on 13.11.2018, Perpetual Distributor Agreement approved on 09.11.2015 & Amendment Agreement approved on 09.02.2017	
Amount paid as advances, if any:	As mutually agreed from time to time.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Investment in Equity Capital of (PMFPL) by on Preferential Placement basis	
Duration of the contracts/ arrangements/transactions	Not Applicable -	
Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> • No. of Shares acquired by the Company: 40,97,521 on 12-06-2018 • Type of Share : Equity Share • Value per share: Rs. 48.81/- • Total Amount Paid: Rs. 20,00,00,000/- 	
Date(s) of approval by the Board, if any	28.05.2018	
Amount paid as advances, if any:	The Sale consideration for the shares was paid in advance before allotment of the shares	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Investment in Equity Capital of (PMFPL) on Preferential Placement basis	

Duration of the contracts/arrangements/transactions	Not Applicable -
Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> • No. of Shares acquired by the Company: 55,31,654 on 25-07-2018 • Type of Share : Equity Share • Value per share: Rs. 48.81/- • Total Amount Paid: Rs. 27,00,00,032/-
Date(s) of approval by the Board, if any	28.05.2018
Amount paid as advances, if any:	The Sale consideration for the shares was paid in advance before allotment of the shares
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company
Nature of contracts/arrangements/transactions	Investment in Equity Capital of (PMFPL) on Right Issue Basis
Duration of the contracts/arrangements/transactions	Not Applicable
Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> • No. of Shares acquired by the Company: 40,98,000 on 05-12-2018 • Type of Share : Equity Share • Value per share: Rs. 48.81/- • Total Amount Paid: Rs. 20,00,23,380/-
Date(s) of approval by the Board, if any	28.05.2018
Amount paid as advances, if any:	The Sale consideration for the shares was paid in advance before allotment of the shares
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company
Nature of contracts/arrangements/ transactions	Loan given by the Company
Duration of the contracts/ arrangements/ transactions	Loan disbursed in different tranches
Salient terms of the contracts or arrangements or transactions including the value, if any:	<p>Amount of Loan:- Total disbursements from time to time Rs. 39,90,00,000/- and after repayments from time to time, the outstanding principal balance – Rs. 34,90,00,000/-</p> <p>Rate of Interest: 10% p.a. on balance outstanding from time to time</p> <p>Purpose of Loan: To Meet the working capital needs</p> <p>Tenure: Repayable on Demand</p>

Date(s) of approval by the Board, if any	07.02.2019	
Amount paid as advances, if any:	NA	
Name(s) of the related party and nature of relationship	Paul E-Commerce (P) Ltd.- Group Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving Office Premises at Unit No. 303, Kanakia Zillion, Andheri, Mumbai on rent	
Duration of the contracts/ arrangements/transactions	From 01/10/2017 to 30/09/2018	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 50,000/- per month from 01.04.2018 to 30.09.2018
	Annual Increase	Nil
	Local Levies	All local levies & Taxes will be paid by the Lessor.
Date(s) of approval by the Board, if any	21.09.2017	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul E-Commerce (P) Ltd.- Group Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving Half portion of Basement of C-21, Pamposh Enclave, New Delhi on rent	
Duration of the contracts/ arrangements/transactions	From 01/10/2017 to 30/09/2018 and renewed thereafter w.e.f. 01/10/2018 to 30/09/2021	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 25000/- per month exclusive GST from 01.04.2018 to 30.09.2018 and Rs. 27000/- exclusive GST per month w.e.f. 01.10.2018
	Annual Increase	8%
	Local Levies	All local levies & Taxes will be paid by the Lessor.

Date(s) of approval by the Board, if any	21.09.2017	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul & Singla Realtors LLP- Partnership Firm, in which the wholly owned subsidiary of the Company M/s PML Realtors (P) Ltd is a partner	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion at 2nd Floor, SCO 827-828, Sector 22-A, Chandigarh on rent.	
Duration of the contracts/ arrangements/transactions	From 18/07/2018 to 17/07/2021	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 11,500/- plus GST per month from 18.07.2018 to 31.03.2019
	Annual Increase	8%
	Local Levies	All local levies & Taxes will be paid by the Lessor.
Date(s) of approval by the Board, if any	28.05.2018	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Spaces LLP- A Partnership Firm, in which Directors of the Company are partners	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion at 2nd Floor, SCO 827-828, Sector 22-A, Chandigarh on rent.	
Duration of the contracts/ arrangements/transactions	From 11/09/2018 to 10/09/2021	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 11,500/- per month plus GST from 11.09.2018 to 31.03.2019
	Annual Increase	8%
	Local Levies	All other local levies & Taxes will be paid by the Lessor.
Date(s) of approval by the Board, if any	13.08.2018	

Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	PML Realtors (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion at 2 nd Floor of SCO 827-828, Sector 22-A, Chandigarh on rent.	
Duration of the contracts/ arrangements/transactions	From 18/12/2017 to 17/12/2020	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 12,000/- per month from 18.12.2017 to 07.02.2019 and Rs. 12,960/- per month w.e.f. 08.02.2019
	Annual Increase	8%
	Local Levies	Will be borne by the Lessor.
Date(s) of approval by the Board, if any	14.11.2017	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	PML Realtors (Pvt.) Ltd. – Wholly Owned Subsidiary Company	
Nature of contracts/arrangements/ transactions	Acquisition of 1,50,00,000 Equity Shares @ Rs. 10/- per share on Right issue basis	
Duration of the contracts/ arrangements/transactions	Not Applicable -	
Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> • No. of Shares acquired by the Company: 1,50,00,000 on 25-05-2018 • Type of Share : Equity Share • Value per share: Rs. 10/- • Total Amount Paid: Rs. 15,00,00,000/- 	
Date(s) of approval by the Board, if any	14.02.2018	
Amount paid as advances, if any:	The Sale consideration for the shares was paid in advance before Allotment of the shares	

For & On Behalf of the Board

(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)

For & On Behalf of the Board

(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

PLACE: CHANDIGARH
Date: August 6, 2019

ANNEXURE D-10

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Our Corporate Governance Model reflects our ethical values, transparent policies, our belief in trusteeship and accountability and forms the foundation of Company's business. The Company takes pride in the fact that it has set high standards of exemplary governance and continues to lay emphasis on compliance, accountability and integrity. Company's philosophy on Corporate Governance aims to ensure establishing and practicing a sound system of good corporate governance which will not only meet Company's objectives but will render assistance to the management in managing the company's business in an ethical, compliant, efficient and transparent manner for achieving the corporate objectives so as to provide services to the utmost satisfaction of the customer and to conduct business in a manner which adds value to the Company's brand and all its stakeholders like shareholders, employees, customers, suppliers, vendors etc. The Company believes that good corporate governance is essential to attain long term goals and mission of the Company. It is Company's belief that ethics and business go together. The Code of conduct implemented by the Company places high premium on ethics. To ensure governance of high standards, the composition of the Board of Directors of the Company is appropriate with each member bringing in expertise in their respective domains. Adequate information and documents are made available to the members of the Board and Board Committees to enable them to discharge their fiduciary duties in an efficient manner. Senior Management Personnel make disclosures to the Board periodically regarding their dealings in the Company's shares; and all material, financial and commercial and other transaction with the Company; where they have personal interest, stating that the said dealings and transactions, if any, have no potential conflict with the interests of the Company at large. Material operational and financial information is disseminated to the Stock Exchange and stakeholders on timely basis so that no false market in the shares of the Company is created. Further, proper internal controls are in place to ensure that the business and operations of the Company are conducted in a most efficient manner.

2. BOARD OF DIRECTORS

(a) Composition and category of Directors

Promoter Directors	4
Non-Promoter Directors	6
Executive Directors	3 (One Managing Director, Two other Executive Directors)
Non- Executive Directors	7
Independent Non-Executive Directors	5
Nominee Directors	0
Institution Represented	0

The strength of Board was 10 (Ten) Directors as on 31st March 2019. The Board consists of 4 Promoter Directors and 6 non-Promoter Directors. Further, the Board consisted of One Managing Director, Two other Executive Directors, Two non-Executive non-independent Directors, and Five Non-Executive Independent Directors.

The Non-Executive Independent Directors with their diverse knowledge, vast experience and relevant expertise bring in their independent judgment, knowledgeable and professional view to the deliberations and decision making process of the Board.

Apart from the sitting fees and reimbursement of traveling expenses being paid for attending Board / Committee Meetings, the non-executive independent Directors did not have any material pecuniary relationship or transaction with the Company during the year 2018-2019 or even after the close of Financial year upto the date of this report. However, non-executive non-independent Director Mr. Sandeep Bansal was paid rent in respect of properties owned by him, the details of which have been given in **Annexure D-9 to this report.**

The Company has an executive Chairman and the Company meets the requirements relating to the composition of Independent and non-Independent Directors of the Board of Directors. The Composition of the Board as on 31.03.2019 is given below:

- | | | |
|-----|----------------------------|---|
| 1. | Mr. Sat Paul Bansal | -Promoter, Executive Chairman cum Managing Director |
| 2. | Mr. Rajneesh Bansal | -Promoter, Executive Director |
| 3. | Mr. Sandeep Bansal | -Promoter, Non-Executive Non Independent Director |
| 4. | Mrs Sarita Rani Bansal | -Promoter, Non- Executive Non Independent Director |
| 5. | Mr. Dharam Pal Sharma | - Whole Time Director |
| 6. | Mr. Vigyan Prakash Arora | - Non Executive Independent Director |
| 7. | Mr. Dilbag Singh Sidhu | - Non Executive Independent Director |
| 8. | Mr. Ajay Arora | - Non Executive Independent Director |
| 9. | Mr. Arjun Pandurang Ghugal | - Non Executive Independent Director |
| 10. | Mr. Uma Shankar Paliwal | - Non Executive Independent Director |

There is no nominee director representing any Institution.

(b) and (c) The attendance at Board Meetings and at the Last Annual General Meeting and the No. of Other Directorships and Committee Memberships/Chairmanships of Directors is given below :-

NAME	Sat Paul Bansal	Rajneesh Bansal	Sandeep Bansal	Sarita Rani Bansal	Vigyan Prakash Arora	Dilbag Singh Sidhu
CATEGORY	Executive (CMD)	Executive	Non Executive	Non Executive	Independent & Non Executive Director	Independent & Non Executive Director
Board Meetings attended during the year	5	5	5	5	5	5

Attendance at the last AGM held on 27.09.2018	YES	YES	NO	NO	YES	YES
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NAME	Ajay Arora	Krishan Lall Khetarpaul (resigned w.e.f. 11.05.2018)	Arjun Pandurang Ghugal	Dharam Pal Sharma	Uma Shankar Paliwal
CATEGORY	Independent & Non-Executive Director	Independent & Non-Executive Director	Independent & Non-Executive Director	Whole Time Director	Independent & Non-Executive Director
Board Meetings attended during the year	4	NIL	4	3	4
Attendance at the AGM held on 27.09.2018	NO	NO	NO	YES	NO

No. of Other Board of Directors or Committees in which a director is a member of chairperson

Name of Director	Directorships			Committee positions in listed and unlisted public limited Companies	
	In listed Companies	In unlisted public limited Companies	In private limited Companies	As Chairman	As Member
Sat Paul Bansal	1	2	6	-	-
Rajneesh Bansal	1	2	7	-	1
Sandeep Bansal	1	-	10	-	1
Sarita Rani Bansal	1	1	3	-	-

Vigyan Prakash Arora	1	2	1	4	4
Dilbag Singh Sidhu	1	–	–	–	1
Ajay Arora	1	3	-	1	3
Krishan Lall Khetarpaul (Resigned 11.05.2018) w.e.f.	3	–	1	1	1
Arjun Pandurang Ghugal	1	–	–	–	–
Dharam Pal Sharma	1	–	–	–	–
Uma Shankar Paliwal	2	1	4	–	1

***Note:**

1. The Directorships held by Directors as mentioned above, includes Directorships in the Private Limited Companies and Companies registered under Section 8 of the Companies Act, 2013, but do not include Directorships in Foreign Companies.
2. Directorships in listed companies include directorship in this Entity i.e. Paul Merchants Limited
3. The above composition and the information is as at 31.03.2019.
4. None of the directors holds office as a director, including as alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included
5. As per declarations received, none of the directors serves as an independent director in more than seven listed companies. Further, the whole-time directors in the Company do not serve as an independent director in more than three listed companies.
6. None of the directors was a member in more than ten committees, nor a Chairman in more than five committees across all companies in which he was a director. For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 have been excluded. For the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone has been considered.
7. Sh. Hardam Singh, Company Secretary attended all the above Board Meetings.

Names of the Listed Entities where the person is a director and the category of directorship:-

Name of Director	Name of the Listed Company	Category of directorship
Sh. Sat Paul Bansal	Paul Merchants Limited	Chairman Cum Managing Director (Promoter)
Sh. Rajneesh Bansal	Paul Merchants Limited	Executive Director (Promoter)
Sh. Sandeep Bansal	Paul Merchants Limited	Director (Promoter)
Smt. Sarita Rani Bansal	Paul Merchants Limited	Director (Promoter)
Sh. Vigyan Prakash Arora	Paul Merchants Limited	Independent Director
Sh. Dilbag Singh Sidhu	Paul Merchants Limited	Independent Director
Sh. Ajay Arora	Paul Merchants Limited	Independent Director
Sh. Krishan Lall Khetarpaul (Resigned w.e.f. 11.05.2018)	1. Paul Merchants Limited 2. Almondz Global Securities Limited 3. Jasch Industries Limited	1. Independent Director 2. Director 3. Director
Sh. Arjun Pandurang Ghugal	Paul Merchants Limited	Independent Director
Sh. Dharam Pal Sharma	Paul Merchants Limited	Whole Time Director
Sh. Uma Shankar Paliwal	1. Paul Merchants Limited 2. MONEYBOXX Finance Limited	1. Independent Director 2. Additional Director

(d) **NUMBER OF BOARD MEETINGS HELD, DATES ON WHICH HELD:**

Total 5 Board meetings were held during the period from April 1st, 2018 to March 31, 2019 on the following dates:

28.05.2018, 13.08.2018, 08.10.2018, 13.11.2018 and 07.02.2019

During the year under review, the gap between two meetings did not exceed 120 days as per Regulation 17 (2) of the SEBI (LODR) Regulations, 2015 and Section 173 of the Companies Act, 2013.

(e) **RELATIONSHIP BETWEEN DIRECTORS INTER SE**

- Mr. Sat Paul Bansal is the Chairman cum Managing Director of the Company.
- Mr. Sandeep Bansal and Mr. Rajneesh Bansal, Directors of the Company are real brothers of each other and both are sons of Sh. Sat Paul Bansal and Mrs. Sarita Rani Bansal.
- Mrs. Sarita Rani Bansal is the wife of Sh. Sat Paul Bansal and mother of Mr. Sandeep Bansal and Mr. Rajneesh Bansal.
- No other directors are related to each other in any manner.

(f) NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS

(i) Shares held by non-executive non-independent directors of the Company:-

- Mr. Sandeep Bansal 144507 Equity Shares
- Mrs. Sarita Rani Bansal 144500 Equity Shares as on 31.03.2019 and 345600 as on the date of this report
- No other non-executive non-independent director of the Company holds any shares in the Company

(ii) Shares held by non-executive independent directors of the Company:-

No non-executive independent director of the Company holds any shares in the Company either by himself or by any other person on beneficial basis.

(iii) The Company has not issued any convertible instruments till date. Hence information in this regard is NIL

(g) WEBLINK WHERE DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS IS DISCLOSED

Your Company follows a structured orientation and familiarization programme through various programs / presentations for Independent Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on Company's strategy, business model, operations, service and product offerings, Statutory provisions, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. The details of familiarisation programme policy been posted on the website of the Company under the web link <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2017/02/FAMILIARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf> and details of familiarisation programme imparted during the FY 2018-19 have been posted under the web link <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2018/06/FP-imparted-FY-2018-19.pdf>

(h) CHART SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:-

Core skills/expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively	Those actually available with the board
1. Ability to understand Financial Markets especially Forex Markets	As per the Board, all these skills/expertise/ competencies are available with the Board

<ol style="list-style-type: none"> 2. Ability to understand Regulatory/Statutory framework applicable to the Company 3. Quick decision making 4. Understanding of Company's business verticals 5. Experience in developing policies and processes relating to corporate governance 6. Leaderships skills for guiding the management team 7. Ability to formulate long term and short term business strategies 8. Ability to understand Financial Statements 	
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(i) **CONFIRMATION BY THE BOARD REGARDING INDEPENDENT DIRECTORS**

The Board of Directors do hereby confirm that in the opinion of the board, the independent directors fulfill the conditions specified SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and are independent of the management

(j) **DETAILED REASONS FOR THE RESIGNATION OF ANY INDEPENDENT DIRECTOR, WHO RESIGNS BEFORE THE EXPIRY OF HIS TENURE ALONG WITH A CONFIRMATION BY SUCH DIRECTOR THAT THERE ARE NO OTHER MATERIAL REASONS OTHER THAN THOSE PROVIDED**

The Information in this regard is NIL as no Independent Director has resigned after SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 coming into force i.e. after 01-04-2019.

3. **AUDIT COMMITTEE**

(a) **TERMS OF REFERENCE:**

Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

1. To investigate any activity within the terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

Role of Audit Committee

The role of the audit committee shall include the following:

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. 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 Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) 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;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) 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;
- (16) 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;
- (17) 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;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

- (21) 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 the date of coming into force of this provision

The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

(b) Composition of Audit Committee, names of members and chairperson

As on 31.03.2019, the Audit Committee of the Company comprises of 3 non-executive Independent Directors, who are well qualified and financially literate. Following is the composition of the Audit Committee:

Shri. Vigyan Prakash Arora	Non Executive Independent Director, Chairman
Shri Dilbag Singh Sidhu	Non Executive Independent Director, Member
Shri Ajay Arora	Non Executive Independent Director, Member

Mr. Vigyan Prakash Arora is the Chairman who has relevant accounts and Finance related expertise as well as qualification. Mr. Dilbag Singh Sidhu and Mr. Ajay Arora are other two members. All of them are having knowledge and expertise in accounts and finance.

The Audit Committee meetings are also attended by Managing Director, Chief Financial Officer, Head of Internal Audit and representatives of Statutory Auditors. The Company Secretary acts as a Secretary of the Committee.

(c) Meetings of Audit Committee and attendance during the year 2018-19

5 meetings of the Audit Committee have been held during the year 2018-19 on the following dates:

24.05.2018, 10.08.2018, 06.10.2018, 09.11.2018 and 06.02.2019.

The attendance at the Audit Committee Meetings during the period from 01.04.2018 till 31.03.2019 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Vigyan Prakash Arora	Independent Director, Chairman	5	5
Mr. Dilbag Singh Sidhu	Independent Director, Member	5	5
Mr. Ajay Arora	Independent Director, Member	5	5
Mr. Hardam Singh	Secretary	5	5

4. NOMINATION AND REMUNERATION COMMITTEE

(a) BRIEF DESCRIPTION OF TERMS OF REFERENCE

- a.** To formulate and recommend to the Board, a Nomination and Remuneration Policy of the Company as per the Companies Act, 2013, applicable RBI Guidelines and Regulation 19(4) of SEBI (LODR) Regulations, 2015 from time to time.
- b.** To recommend addition/modification to the Nomination & Remuneration Policy to the Board from time to time.
- c.** To evaluate the candidates for the post of Directors, Key Management Personnel and Senior Management and recommend to the Board their appointment, removal and remuneration as per criteria as laid down in Nomination & Remuneration Policy.
- d.** To specify the manner for effective evaluation of performance of Board, its committees, individual directors and independent directors and review its implementation and compliance.
- e.** To recommend to the Board term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- f.** To recommend to the board, all remuneration, in whatever form, payable to senior management
- g.** Any other matter as specified in Companies Act, 2013, SEBI (LODR) Regulations, 2015 or any applicable Statute as the Committee may deem appropriate after the approval of the Board or as may be directed by the Board from time to time.

(b) COMPOSITION NAMES OF MEMBERS AND CHAIRPERSON:-

Following was the composition of the Nomination and Remuneration Committee as on 31-03-2019:

Sh. Dilbag Singh Sidhu	Non Executive Independent Director, Chairman
Sh. Sandeep Bansal	Non Executive Non Independent Director, Member
Shri. Vigyan Prakash Arora	Non Executive Independent Director, Member

(c) Meetings and Attendance during the year

During the year 2018-19, 4 meetings of the Nomination and Remuneration Committee were held on:

13.04.2018, 19.06.2018, 06.10.2018 and 23.01.2019

The attendance at the Nomination and Remuneration Committee Meetings during the period from 01.04.2018 till 31.03.2019 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Dilbag Singh Sidhu	Non-Executive Independent Director, Chairman	4	4
Mr. Sandeep Bansal	Non-Executive Director, Member	4	4
Mr. Vigyan Prakash Arora	Non-Executive Independent Director, Member	4	4
Mr. Hardam Singh	Secretary	4	4

(d) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

Criteria for evaluation of the Independent Directors;

- (a) Experience and ability to contribute to the decision making process
- (b) Problem solving approach and guidance to the Management
- (c) Attendance and Participation in the Meetings
- (d) Personal competencies and contribution to strategy formulation
- (e) Contribution towards statutory compliances, monitoring of controls and Corporate Governance
- (f) The evaluation of independent directors shall be done by the entire board of directors which shall include –
 - i. Performance of the directors; and
 - ii. fulfillment of the independence criteria as specified in these regulations and their independence from the management:
 - iii. Provided that in the above evaluation, the directors who are subject to evaluation shall not participate

(e) NOMINATION AND REMUNERATION POLICY:

The Nomination and Remuneration Policy of the Company is already attached as **Annexure D-2** to the Directors' Report.

5. **REMUNERATION OF DIRECTORS**

(a) **All Pecuniary Relationship Or Transactions Of The Non-Executive Directors vis a vis the Company**

Non-Executive Non Independent Directors

1. **Mr. Sandeep Bansal** :- No Sitting fee was paid to him. Rent was paid to him during the year under review in respect of some properties, which are belonging to him and which are used by the Company in its ordinary course of business. Further details of the same have been given in **Annexure D-9** to the Directors Report. There is no other pecuniary relationship or transactions of Mr. Sandeep Bansal with the Company.
2. **Mrs. Sarita Rani Bansal**:- No Sitting fee was paid to her. Equity Shares of Paul Merchants Finance (P) Limited were acquired from her, details of which has been mentioned in **Annexure D-9** to the Directors Report. There is no other pecuniary relationship or transactions of Mrs. Sarita Rani Bansal with the Company.

Non-Executive Independent Directors

A sum of Rs. 3,97,500/- has been paid to Non Executive Independent Directors as their sitting fee during the year 2018-19 (before TDS) as per details given below:

NAME	SITTING FEE (In Rs.)
Sh. Dilbag Singh Sidhu	90000
Sh. Vigyan Prakash Arora	42500
Sh. Ajay arora	120000
Sh. Arjun Pandurang Ghugal	100000
Sh. Krishan Lall Khetarpaul (resigned w.e.f. 11.05.2018)	Nil
Sh. Uma Shankar Paliwal	45000
Total	3,97,500/-

The Company has not entered into any pecuniary transactions with non-executive Independent directors of the Company during the year under review.

No other benefits, bonuses, stock options, pension, emoluments, commission, allowances etc. were paid to the Non Executive Independent Directors of the Company during the year. However, actual expenses incurred by them for attending the Board Meetings and Committee meetings, if any, were re-imbursed to them.

Shares held by non-executive directors as on 31-03-2019 are given below:

NAME	No. of Shares
Sh. Sandeep Bansal	144507
Smt. Sarita Rani Bansal (345600 as on the date of this report)	144500
Sh. Dilbag Singh Sidhu	Nil
Sh. Vigyan Prakash Arora	Nil
Sh. Ajay Arora	Nil
Sh. Krishan Lall Khetarpaul (Resigned on 11-05-2018)	Nil
Sh. Arjun Pandurang Ghugal	Nil
Sh. Uma Shankar Paliwal	Nil
Total	490107

(b) **Criteria for making payments to Non-Executive Directors**

The non-executive Directors do not draw any remuneration from the Company except the sitting fee as permitted under Companies Act, 2013 for attending meetings of the Board/Committees thereof. Their Travel Arrangements for attending the Board/Committee Meetings are made by the Company and actual travelling expenses incurred by them for attending the Board Meetings, if any, are reimbursed to them. The sitting fee is fixed as per the experience, qualifications of the respective Independent Directors.

(c) **Disclosures with respect to remuneration**

The remuneration of the executive directors is recommended by the Nomination and Remuneration Committee, reviewed and approved by Audit Committee and finally approved by the Board of Directors subject to approval by the Shareholders in General Meeting on the basis of qualification, experience, industry benchmarks, the Company's performance vis-à-vis the industry, performance track record of the executive director/ appointee(s) as per Nomination and Remuneration Policy of the Company. The Company pays remuneration by way of salary or as a %age of Net Profits or by way of both.

Remuneration paid to the past/present executive directors and KMPs of the company during 2018-2019 is as under:-

Mr. Sat Paul Bansal, Chairman cum Managing Director

Salary:- A sum of of Rs. 1.44 crores had been paid to him @ Rs. 12.00 Lakhs per month in the form of salary during the Financial Year 2018-19. Further, a sum of Rs. 3.60 crores has been paid to him towards an installment of Special Incentive during this Financial Year, which had been approved by the Shareholders of the Company.

Commission:- No amount of Commission for the Financial Year 2018-19 has been paid to him.

Benefits:- No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him during the year.

Service Contract period:- His Service Contract period is 5 years

Notice Period:- His Contract Notice Period is three months.

Severance Fees:- No severance fees is payable to him.

Fixed Component: Fix component of his remuneration is his salary.

Performance Linked Incentive:-

Commission payable to the Chairman cum Managing Director is performance linked as the same is based upon the profits of the Company.

No Stock Options has been given to him. As on the date of this report, he holds Nil shares in the Company. On 31-03-2019, he was holding 201100 (19.56%) equity shares in the Company, which he has transferred to his wife (Immediate Relative) on family settlement basis on 24-05-2019, after making due compliances with applicable SEBI Regulations.

The performance of the Chairman cum Managing Director was evaluated by the Nomination and Remuneration Committee, Board and also by the Independent Directors in their separate Meeting. The criteria for evaluation has been disclosed in the Directors' Report.

There are no convertible instruments issued by the Company, as such holding of Mr. Sat Paul Bansal in this regard is NIL.

Further, Equity Shares of Paul Merchants Finance (P) Limited were acquired from him, details of which have been given in **Annexure D-9** to the Directors Report. There is no other pecuniary relationship or transactions of Mr. Sat Paul Bansal with the Company.

Mr. Rajneesh Bansal, Executive Director

Salary:- Remuneration of Rs. 42.00 Lakhs has been paid to him @ Rs. 3.50 Lakhs per month in the form of salary during the Financial Year 2018-19. In addition, rent free accommodation has also been provided to him by the Company valued at Rs. 28,85,824-during the year under review.

Commission:- No amount of Commission for the Financial Year 2018-19 has been paid to him.

Benefits:- No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him during the year.

Service Contract period:- His Service Contract period is 5 years

Notice Period:- His Contract Notice Period is three months.

Severance Fees:- No severance fees is payable to him.

Fixed Component: Fix component of his remuneration is his salary.

Performance Linked Incentive:-

Commission payable to the Executive Director is performance linked as the same is based upon the profits of the Company.

No Stock Options has been given to him. He holds 149746 (14.57%) equity shares in the Company.

The performance of the Executive Director was evaluated by the Nomination and Remuneration Committee, Board and also by the Independent Directors in their separate Meeting. The criteria for evaluation has been disclosed in the Directors' Report.

There are no convertible instruments issued by the Company, as such holding of Mr. Rajneesh Bansal in this regard is NIL.

Apart from Salary, rent was paid to Mr. Rajneesh Bansal during the year under review in respect of some properties, which are belonging to him and which are used by the Company in its ordinary course of business. Details of the same have been given in **Annexure D-9** to the Directors Report. There is no other pecuniary relationship or transactions of Mr. Rajneesh Bansal with the Company.

Sh. Dharam Pal Sharma, Whole Time Director

Salary:- Salary amounting to Rs. 7,26,196/- has been paid to him during the Financial Year 2018-19.

Commission:- No commission has been paid to Sh. Dharam Pal Sharma, Whole Time Director during the year under review.

Benefits:- In addition to the above mentioned salary, Performance Bonus of Rs. 26,932/- and Leave Encashment of Rs. 10,733/- has been paid to him during the year under review. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him during the year.

Service Contract period:- His Service Contract period is till 31st March, 2020

Notice Period:- His Contract Notice Period is two months.

Severance Fees:- No severance fees is payable to him.

Fixed Component: Fix component of his remuneration is his salary.

Performance Linked Incentive:-

In addition to the above mentioned salary and other benefits, a performance linked Incentive of Rs. 81,177/- has been paid to him during the year under review.

The performance of Sh. Dharam Pal Sharma was evaluated by the Nomination and Remuneration Committee, Board and also by the Independent Directors in their separate Meeting. The criteria for evaluation has been disclosed in the Directors' Report.

No Stock Options has been given to him. He holds NIL Equity shares in the Company.

There are no convertible instruments issued by the Company, as such holding of Mr. Dharam Pal Sharma in this regard is NIL.

There is no other pecuniary relationship or transactions of Mr. Dharam Pal Sharma with the Company.

KEY MANAGERIAL PERSONNEL

Mr. Tilak Raj Khepar (CFO)

He worked in the Company till 14.08.2018.

Salary:- Gross Salary amounting to Rs. 8,76,255/- has been paid to him during the Financial Year 2018-19.

Commission:- No commission has been paid to Mr. Tilak Raj Khepar, Chief Financial Officer during the year under review.

Benefits:- In addition to the above mentioned salary, Performance Bonus of Rs. 101975/- and Leave Encashment of Rs. 7500/- has been paid to him during the year under review. Gratuity of Rs. 375000/- has been paid to him at the time of his relieving from the service. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him during the year.

Service Contract period:- His Services with the Company have already ended.

Notice Period:- His Notice Period is One month.

Severance Fees:- No severance fees is payable to him.

Fixed Component:- Fix component of his remuneration is his salary.

Performance Linked Incentive:-

In addition to the above mentioned salary and other benefits, a performance linked Incentive of Rs. 1,04,613/- has been paid to him during the year under review.

The performance of the Chief Financial Officer was evaluated by the Nomination and Remuneration Committee

No Stock Options has been given to him. He held NIL equity shares in the Company.

There are no convertible instruments issued by the Company, as such holding of Mr. Tilak Raj Khepar in this regard was NIL.

There was no other pecuniary relationship or transactions of Mr. Tilak Raj Khepar with the Company.

Mr. Hardam Singh (Company Secretary)

Salary:- Gross Salary amounting to Rs. 20,85,520/- has been paid to him during the Financial Year 2018-19.

Commission:- No commission has been paid to Mr. Hardam Singh, Company Secretary during the year under review.

Benefits:- In addition to the above mentioned salary, Performance Bonus of Rs. 65,000/- and Leave Encashment of Rs. 39000/- has been paid to him during the year under review. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him during the year.

Service Contract period:- There is no fixed Service Contract period

Notice Period:- His Notice Period is two months.

Severance Fees:- No severance fees is payable to him.

Fixed Component: Fix component of his remuneration is his salary.

Performance Linked Incentive:-

In addition to the above mentioned salary and Performance Bonus, a performance linked Incentive of Rs. 5,76,000/- has been paid to him during the year under review, which is performance linked.

The performance of the Company Secretary was evaluated by the Nomination and Remuneration Committee

No Stock Options has been given to him. He holds NIL equity shares in the Company.

There are no convertible instruments issued by the Company, as such holding of Mr. Hardam Singh in this regard is NIL.

There is no other pecuniary relationship or transactions of Mr. Hardam Singh with the Company.

Mrs. Bhupinder Kaur (Chief Financial Officer)

She joined the Company w.e.f. 07-02-2019.

Salary:- Gross Salary amounting to Rs. 2,12,962/- has been paid to him during the Financial Year 2018-19.

Commission:- No commission has been paid to Mrs. Bhupinder Kaur during the year under review.

Benefits:- In addition to the above mentioned salary, Performance Bonus of Rs. 6661/- and Leave Encashment of Rs. 4391/- has been paid to her during the year under review. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to her during the year.

Service Contract period:- There is no fixed Service Contract period

Notice Period:- Her Notice Period is two months.

Severance Fees:- No severance fees is payable to her.

Fixed Component: Fix component of her remuneration is her salary.

The performance of the Chief Financial Officer was evaluated by the Nomination and Remuneration Committee

No Stock Options has been given to her. She holds NIL equity shares in the Company.

There are no convertible instruments issued by the Company, as such holding of Mrs. Bhupinder Kaur in this regard is NIL.

There is no other pecuniary relationship or transactions of Mrs. Bhupinder Kaur with the Company.

6. **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee of the Board has been constituted to look into various aspects of interest of shareholders, debenture holders and other security holders and complaints like transfer of shares, non-receipt of Share Certificates, non-receipt of Balance Sheet, non-receipt of Annual Report etc.

(a) **Name of non-executive director heading the Committee:-**

The committee is headed by Sh. Vigyan Prakash Arora, Non Executive Independent Director.

(b) **Name And Designation Of Compliance Officer**

The Company Secretary Mr. Hardam Singh, is the Compliance Officer of the Company. The Compliance Officer can be contacted at:

investor.redressal@paulmerchants.net and cs@paulmerchants.net

Ph. 0172-5041760
Fax – 0172-5041713

(c) **Number of shareholders complaints received so far**

No shareholder complaint has been received by the Company or either directly or through its RTA during the year under review.

(d) **Number not solved to the satisfaction of shareholders** - NIL

(e) **Number of pending complaints.** - NIL

(f) **Composition:**

Following is the composition of the Stakeholders' Relationship Committee as on 31.03.2019:

Sh. Vigyan Prakash Arora	Non Executive Independent Director, Chairman
Sh. Rajneesh Bansal	Executive Director, Member
Sh. Sandeep Bansal	Non Executive Non Independent Director, Member
Mr. Hardam Singh	Company Secretary, Secretary to the Committee

During the year 2018-19 under review, 6 meetings of the Stakeholders' Relationship Committee were held on:

12.04.2018, 25.07.2018, 28.08.2018, 20.11.2018, 22.01.2019 and 15.03.2019

The attendance at the Stakeholders' Relationship Committee Meetings during the period from 01.04.2018 till 31.03.2019 is given below:

Name	Title	No. of Meetings	No. of Meetings attended
Mr. Vigyan Prakash Arora	Non Executive Independent Director, Chairman	6	6
Mr. Sandeep Bansal	Non-Executive Director, Member	6	6
Mr. Rajneesh Bansal	Executive Director, Member	6	6
Mr. Hardam Singh	Secretary	6	6

6-A. EXECUTIVE COMMITTEE

COMPOSITION:

An Executive Committee of the Board has been formed to look after day to day affairs of the Company as per Terms of Reference defined by the Board. The Committee comprises of Mr. Sat Paul Bansal, Managing Director as its Chairman of the Meeting, Mr. Sandeep Bansal and Mr Rajneesh Bansal, Directors as other Members. The Company Secretary Mr. Hardam Singh is the Secretary to the Committee.

During the year under review, 13 meetings of the Executive Committee were held on:

04.04.2018, 17.05.2018, 20.06.2018, 16.07.2018, 09.08.2018, 07.09.2018, 29.10.2018, 26.11.2018, 03.12.2018, 10.01.2019, 29.01.2019, 14.02.2019 & 18.03.2019

The attendance at the Executive Committee Meetings during the period from 01.04.2018 till 31.03.2019 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Sat Paul Bansal	Chairman cum Managing Director, Chairman	13	13
Mr. Sandeep Bansal	Non-Executive Non Independent Director, Member	13	13
Mr. Rajneesh Bansal	Executive Director, Member	13	13
Mr. Hardam Singh	Secretary	13	13

6-B. CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Committee of the Board to be known as CSR Committee:

COMPOSITION:

Following is the composition of the CSR Committee as on 31.03.2019:

Sh. Sandeep Bansal	Non Executive Non Independent Director, Chairman
Sh. Rajneesh Bansal	Executive Director, Member
Sh. Vigyan Prakash Arora	Non Executive Independent Director, Member

During the year 2018-19, 4 meetings of the CSR Committee were held on:

12.04.2018, 24.07.2018, 24.10.2018 and 21.01.2019

The attendance at the CSR Committee Meetings during the period from 01.04.2018 till 31.03.2019 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Sandeep Bansal	Non-Executive Director, Chairman	4	4
Mr. Rajneesh Bansal	Executive Director, Member	4	4
Mr. Vigyan Prakash Arora	Non-Executive Independent Director, Member	4	4
Mr. Hardam Singh	Secretary	4	4

The following is the Board approved CSR Policy for the Company:-

CORPORATE SOCIAL RESPONSIBILITY POLICY

INTRODUCTION

For us at Paul Merchants Ltd (PML), reaching out to underserved communities is part of our rich culture. We believe in the trusteeship concept. We believe, we will be a more satisfied corporate when we operate according to the highest ethical standards, address unmet social needs, function with compassion and promote the well being of citizens of this country, their communities and the entire environment. We strongly believe that a responsible corporate should go beyond the Statutory compliances and put something back into the society, which has given so much to the corporate. This entails transcending business interests and doing something for the people who are grappling with the "quality of life" challenges and working towards making a meaningful difference to them.

OUR VISION

"To actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index".

PML is vigilant in its enforcement towards corporate principles and is committed towards sustainable development and inclusive growth. The company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objective. It also pursues initiatives related to quality management, environment preservation and social awareness.

OBJECTIVES

The objectives of this policy are to –

- Demonstrate commitment to the common good through responsible business practices and good governance
- Actively support the state's development agenda to ensure sustainable change
- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models
- Engender a sense of empathy and equity among employees of PML to motivate them to give back to the society

APPLICABILITY

1. CSR policy of PML has been developed in line with corporate philosophy of PML, in consonance with Section 135 of the Companies Act 2013 and in accordance with the CSR rules notified by the Ministry of Corporate Affairs, Government of India in 2014.
2. The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the said Act.

CSR BUDGET

CSR Committee will recommend the annual budgeted expenditure to the Board for its consideration and approval.

IMPLEMENTATION

All activities will be identified in an objective manner keeping in mind the ultimate beneficiaries and gauging their basic needs. Consultation with the locals like village panchayats and influential people of the area, will also be resorted to, wherever necessary to sense the most critical needs of the area concerned.

Arising from this, the focus areas, out of which the Company will be taking initiatives under this policy from time to time and as decided by the CSR Committee are:

1. eradicating hunger, poverty and malnutrition, arranging community lunch, donating food to trusts, religious places or to charitable institutions, promoting preventive health care and sanitation and making available safe drinking water;
2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
5. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional and handicrafts;
6. measures for the benefit of armed forces, army veterans, war widows, police forces, para military forces and their dependents;
7. training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government Rural development projects.

The activities will be undertaken in a way that preference to the local area and area around it where PML operates will be given. The CSR Committee, from time to time will chose activities out of the above list to be undertaken under this policy. The list is only illustrative and not exhaustive. Any other activity, as per the sole discretion of the CSR Committee can be taken up, which is thought to be beneficial for any section of the society.

BOARD

The Board of PML will be responsible for:

- a. approving the CSR policy as formulated by the CSR Committee
- b. ensuring that in each Financial Year the Company spends at least 2% of the average net profit, computed as per Section 198 of the Companies Act, 2013 during the three immediate preceding financial years.
- c. ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively
- d. regularly monitoring the implementation of CSR policy.
- e. disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.

- f. ensuring annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format.

As per Section 135, the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report. The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the company.

CSR COMMITTEE

- I. **Composition:** The committee will consist of three or more directors out of which, at least one will be an independent director. At present following are the Members of the CSR Committee:

Mr. Sandeep Bansal, Non Executive Director, Chairman
 Mr. Rajneesh Bansal, Executive Director, Member
 Mr. Vigyan Prakash Arora, Non Executive Independent Director, Member

The Board can reconstitute the committee in case of any resignation or appointment of any new member.

- II. The CSR committee will be responsible for:
- a. formulating the CSR policy in compliance to Section 135 of the Companies Act, 2013
 - b. identifying activities to be undertaken as per Schedule VII of the Companies Act 2013 .
 - c. recommending to Board the CSR expenditure to be incurred.
 - d. recommending to Board, modifications to the CSR policy as and when required.
 - e. regularly monitoring the implementation of the CSR policy

MONITORING AND REPORTING FRAMEWORK

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the activities undertaken by the Company under this policy. The Committee will recommend a CSR Budget to the Board for its approval for any Financial Year in the first meeting of the FY. In compliance with the Act and to ensure funds spent on CSR programmes are creating the desired impact on the ground, a comprehensive Monitoring and Reporting framework will be put in place, wherein the expenditure heads, geography covered, periodicity and distribution of expenditure over various heads will be monitored on regular basis. A Report on the CSR is already attached as **Annexure D-7** to the Directors Report.

7. GENERAL BODY MEETINGS

- (a) **Location and time, where last three Annual General Meetings held:**

YEAR	2016	2017	2018
Type of Meeting	AGM	AGM	AGM
Date	28.09.2016	28.09.2017	27.09.2018
Venue	Conference Hall No. 2, Jaypee Siddharth, 3, Rajendra Place, New Delhi - 110008	Shudh Banquet, 25, Paschim Vihar Extension, Main Rohtak road, Opp. Metro Pillar No. 195, New Delhi – 110063	Forever Banquet, 20, Paschim Vihar Extn., Pillar No. 193, Opp. Ordinance Depot, New Delhi- 110063
Time	12.00 Noon	12.00 Noon	12.00 Noon

- (b) **Whether any Special Resolutions passed in the last three Annual General Meetings :- YES**
Details of the Special Resolutions passed in the last three Annual General Meetings:-

Year 2016

1. To re-appoint Mr. Dharam Pal Sharma (DIN No. 07284332) as Whole Time Director for a term upto 31.03.2020 of the Company and to approve his remuneration.
2. To revise the remuneration of Mr. Rajneesh Bansal (DIN No. 00077230) Executive Director of the Company.

Year 2017

1. To appoint Mr. Uma Shankar Paliwal (DIN 06907963) as Independent Director of the Company, not liable to retire by rotation to hold office for a term upto the conclusion of the Annual General Meeting for the Financial Year 2020-21.
2. To revise the remuneration of Mr. Dharam Pal Sharma (DIN 07284332), Whole Time Director of the Company w.e.f. 01.04.2017.

Year 2018

1. To revise the remuneration of Mr. Dharam Pal Sharma (DIN 07284332), Whole Time Director of the Company w.e.f. 01.04.2018.
2. To approve the remuneration of Mr. Sat Paul Bansal (DIN 00077499), Chairman Cum Managing Director of the company for the Financial Year 2018-19.
3. To approve the remuneration of Mr. Rajneesh Bansal (DIN 00077230), Executive Director of the Company for his remaining tenure.

- (c) **Whether any Special Resolution passed last year through Postal Ballot – Yes**

However, following resolutions had been passed through the process of evoting as well as Postal Ballot-

1. **To approve payment of One Time Special Incentive to the Chairman Cum Managing Director of the Company Mr. Sat Paul Bansal (DIN 00077499).**

The above resolution was passed through E-Voting and Postal Ballot process by Members of the Company on Friday, November 16, 2018. The scrutinizer Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (FCS No. 5901 and CP No. 5870), was authorized to conduct the remote E-voting and Postal Ballot process.

2. **To approve remuneration of the Chairman Cum Managing Director of the Company Mr. Sat Paul Bansal (DIN 00077499)**

The above resolution was passed through E-Voting and Postal Ballot process by Members of the Company on Friday, November 16, 2018. The scrutinizer Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (FCS No. 5901 and CP No. 5870), was authorized to conduct the remote E-voting and Postal Ballot process.

3. To approve remuneration of the Executive Director of the Company Mr. Rajneesh Bansal (DIN 00077230) for his remaining tenure i.e. upto 31.03.2020.

The above resolution was passed through E-Voting and Postal Ballot process by Members of the Company on Friday, November 16, 2018. The scrutinizer Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (FCS No. 5901 and CP No. 5870), was authorized to conduct the remote E-voting and Postal Ballot process.

(d) Person who conducted the postal ballot exercise –

Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (FCS No. 5901 and CP No. 5870) conducted the process as scrutinizer

(e) Whether any Special Resolution is proposed to be conducted through Postal Ballot Process:-

No Special Resolution is proposed to be conducted through Postal Ballot Process at the ensuing Annual General Meeting. However, remote evoting facility shall be provided to the members in respect of all the resolutions to be passed at the ensuing AGM.

- (f) Procedure for Postal Ballot:-** The Company dispatched the Postal Ballot Notice dated 08-10-2018 in all the above three cases along with Postal Ballot Form by Post/ E-mail to all the shareholders of the Company for seeking approvals of the members on the aforesaid three resolutions stated in the said notice by means of Postal Ballot as well as evoting. The e-voting commenced on Thursday, 18-10-2018 (09.00 AM IST) and ended on Friday, 16-11-2018 (05.00 PM IST), enabling the members to cast their votes during that period by e-voting. Further, the Postal Ballot Forms having reached the Scrutinizer of the Company on or before the closure of the working hours on Friday, 16-11-2018 (05.00 PM IST) were considered. After scrutiny of Postal Ballots (including remote e-voting), the Scrutinizer submitted his report on 17-11-2018. The Chairman announced the Postal Ballot and evoting results on the same day at the Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022 and was displayed on the Notice Board of the Company at its Registered Office at New Delhi and its Corporate Office at Chandigarh on the said date. Simultaneously, the result was also displayed on the Company's website www.paulmerchants.net and on the website of CDSL www.cdsl.com/ www.evotingindia.com and communicated to the BSE Ltd, Depositories, Registrar and Share Transfer agent.

8. MEANS OF COMMUNICATIONS

(a) Quarterly Results :

The Quarterly, Half yearly and Annual Results of the Company are sent to BSE Ltd in accordance with the SEBI (LODR) Regulations, 2015.

(b) Newspapers wherein the results normally published : - The said Results are normally published in The Financial Express (English, all India edition) and Jansatta (Hindi, Delhi edition).

(c) Any website, where displayed:-

The Quarterly, Half yearly and Annual Results are displayed on Company's website www.paulmerchants.net. The Company's website contains a dedicated section "Investors" under which the details/information of interest to various stakeholders is displayed. The Results are also sent to BSE Ltd, which is displayed by BSE on its website <http://www.bseindia.com>.

(d) Whether it also displays official news releases:

Official news releases, if any, are sent to the Stock Exchange and the same shall be hosted on the website of the Company www.paulmerchants.net as and when issued. No such Press Release has been issued by the Company during the year under review.

(e) Presentations made to the Institutional Investors or to the Analysts:

No presentations have been made to institutional investors or to the analysts during the year under review.

(f) BSE Corporate Compliance and Listing Centre:-

All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Quarterly Results etc. are filed electronically with the Listing Centre of BSE and wherever prescribed, in xbrl format.

9. GENERAL SHAREHOLDER INFORMATION

a.	Annual General Meeting: Date, time and Venue	Date:- Monday, the 30 th day of September, 2019, Time:- at 12.00 Noon, Venue:- Forever Banquet, 20, Paschim Vihar Extn., Metro Pillar No. 193, Opp. Ordinance Depot, New Delhi- 110063
b.	Financial year	1 st April, 2018 to 31 st March, 2019
c.	Dividend Payment Date	N/A
d.	Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001. Listing Fee for the year 2019-20 has already been paid to BSE.
e.	Stock Code	539113

f.	Market Price Data: High, Low during each month in last financial year	<table border="1"> <thead> <tr> <th colspan="3">PAUL MERCHANTS LIMITED</th> </tr> <tr> <th>Month</th> <th>High Price</th> <th>Low Price</th> </tr> </thead> <tbody> <tr><td>Apr-18</td><td>5321</td><td>4950</td></tr> <tr><td>May-18</td><td>5180</td><td>4401.45</td></tr> <tr><td>Jun-18</td><td>4892.60</td><td>3920</td></tr> <tr><td>Jul-18</td><td>4650</td><td>3921.10</td></tr> <tr><td>Aug-18</td><td>5300</td><td>4200</td></tr> <tr><td>Sep-18</td><td>4949</td><td>3912</td></tr> <tr><td>Oct-18</td><td>4000</td><td>3337</td></tr> <tr><td>Nov-18</td><td>3966</td><td>3337</td></tr> <tr><td>Dec-18</td><td>4000</td><td>3400.05</td></tr> <tr><td>Jan-19</td><td>3590</td><td>2605</td></tr> <tr><td>Feb-19</td><td>3130</td><td>1830</td></tr> <tr><td>Mar-19</td><td>2200</td><td>1919</td></tr> </tbody> </table>	PAUL MERCHANTS LIMITED			Month	High Price	Low Price	Apr-18	5321	4950	May-18	5180	4401.45	Jun-18	4892.60	3920	Jul-18	4650	3921.10	Aug-18	5300	4200	Sep-18	4949	3912	Oct-18	4000	3337	Nov-18	3966	3337	Dec-18	4000	3400.05	Jan-19	3590	2605	Feb-19	3130	1830	Mar-19	2200	1919																																										
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h.	In case the securities are suspended from trading, the directors report shall	N/A. The securities of the Company have never been suspended from trading.																																																																																				

	explain the reasons thereof	
i.	Registrar to an Issue and Share Transfer Agents	Alankit Assignments Limited, 1E/13, Jhandewalan Extn. New Delhi- 110055 (INDIA) Ph No.: 011-42541959 (RTA of the Company)
j.	Share Transfer System	<p>All share transfer and other communications regarding share certificates, change of address, dividends, etc should be addressed to Registrar and Transfer Agents. To expedite the share transfer process in the physical mode, the process used to be undertaken by Common Registry M/s Alankit Assignments Limited, New Delhi. Share Transfers were processed and approved by them and taken note of by Share Transfer Committee, i.e. Stakeholders' Relationship Committee. The Registrar ensured to attend to the formalities pertaining to transfer of securities at least once in a fortnight along with transmission and issue of duplicate share certificates etc. The process was also reviewed by the Stakeholders' Relationship Committee on regular basis. It may be noted here that post 01-04-2019, SEBI has prohibited Transfer of shares in physical mode. The shares of the Company are traded in dematerialized form only. Transfer of shares in dematerialized form is done through the depositories without any involvement of the Company.</p> <p>Till 01-04-2019 the share transfers, which were received in physical form, were processed and the share certificates returned within a period of 15 days from the date of receipt by the RTA, subject to documents being valid and complete in all respects. The SEBI Circular dated 08-06-2018, amending thereby the SEBI LODR Regulations to provide for prohibition of Transfer of Shares in Physical form after 01-04-2019 has already been brought to the notice of the Shareholders.</p> <p>All requests for dematerialization of shares are processed and the confirmation is given to the Depositories within 21 days by RTA subject to documents being valid and complete in all respects. Grievances received from Members are immediately attended to and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar within 15 days. Stakeholders' Relationship Committee also looks into the Investors Grievances, if there is any. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchange.</p> <p>SCORES (SEBI complaints redressal system): SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a Company for his grievance. The Company uploads the action taken on the</p>

		complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
k.	Distribution of Shareholding	As per <u>Annexure- G-1</u>
l.	Dematerialization of shares and liquidity	Liquidity:- A total number of 9,99,201 Equity Shares of the Company constituting over 97.2% of the issued, subscribed and paid-up share capital were held in dematerialised form as on March 31, 2019 and as such, there is sufficient liquidity in the stock.
m.	Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments till date
n.	Commodity price risk or foreign exchange risk and hedging activities	<p>The Company is not a sizable user of commodities, hence exposes itself moderately to the price risk on account of procurement of commodities. The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.</p> <p>The exposure to foreign exchange risk is limited to stock of Foreign Exchange held in the branch offices of the Company and unsettled transactions at the Central treasury which are adequately covered in advance with Banks or other FFMCS. All the Forex Transactions are being covered under the CASH / TOM / SPOT covering.</p>
o.	Plant Locations	The Company is in service Industry and had 78 own offices as on 31-03-2019. The list of the said offices is appended to this Annual Report in the beginning.
p.	Address for correspondence	The Company Secretary, PML House, SCO 829-830, Sector 22-A, Chandigarh – 160022 Ph. 0172-5041792, 5041760, Fax 0172-5041713 email: cs@paulmerchants.net
q.	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity	N/A. No such Credit Rating has been received by the Company

	involving mobilization of funds, whether in India or abroad.	
r.	Date of Book closure	24-09-2019 to 30-09-2019 (both days inclusive)
s.	ISIN	INE 291 E 01019

ANNEXURE – G-1

(a) **Distribution of Shareholding (No. of Shares) as on March 31, 2019 is as under :-**

No. of Shares	No. Shareholders	% of Shareholders	Total No. of Shares	% of Holding
1 – 100	1096	89.469	9894	0.962
101 – 500	58	4.735	15446	1.503
501 – 1000	26	2.122	21502	2.092
1001 – 5000	35	2.857	106610	10.371
5001 – 10000	2	0.163	11240	1.093
10001 – 20000	0	0	0	0
20001 – 30000	1	0.082	29000	2.821
30001 - 40000	0	0	0	0
40001 – 50000	2	0.163	92100	8.959
50001 – 100000	0	0	0	0
100001 - 500000	5	0.408	742208	72.199
500001 to Above	0	0	0	0

Shareholding Pattern as on 31st March, 2019:-

Category	No. of Shares held
Promoters	747448
Institutional Investors	0
Mutual Funds & UTI	0
Banks, Financial Institutions and Insurance Companies	0
FII's	0
Others	0
Private Corporate Bodies	781
Indian Public	279483

NRIs/QCBs	288
Trust	0
Total	1028000

10. OTHER DISCLOSURES

(a) Disclosures On Materially Significant Related Party Transactions That May Have Potential Conflict With The Interests Of Listed Entity At Large;

No material significant related party transactions have taken place during the year under review that may have potential conflict with the interests of the Company at large.

Further, the disclosures required under Part A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations are given below:-

Sr. No.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company (Paul Merchants Limited)	<ul style="list-style-type: none"> • Loans and advances in the nature of loans to subsidiaries by name and amount. • Loans and advances in the nature of loans to associates by name and amount. • Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount
		<p>Wholly Owned Subsidiary Company Paul Merchants Finance (P) Ltd</p> <p>Outstanding as on 31 March 2019 Rs 35,11,71,836/-, which includes interest of Rs 21,71,836/-</p> <p>Max Outstanding during the year Rs. 38,10,00,000/-</p> <p>NIL</p> <p>NIL</p>
2	Subsidiary	<ul style="list-style-type: none"> • Loans and advances in the nature of loans to Holding Companies by name and amount. • Loans and advances in the nature of loans to
		<p>NIL as the Company has no Holding Company</p> <p>NIL</p>

		<p>associates by name and amount.</p> <ul style="list-style-type: none"> Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount 	NIL
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	NIL

Further reference in this regard can be made to Note no. 39 of the Balance sheet and **Annexure D-9** to the Directors Report, which is a part of this Annual Report.

Further, disclosure of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity i.e. Paul Merchants Limited as required in terms of Clause 2A of Part A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, in the format prescribed in the relevant accounting standards for annual results, is not required as there is no such Entity which holds 10% or more shareholding in the Company.

Further, details of related party transactions form part of Notes to the Accounts of the Annual Report. While entering into the above transactions, the Company had made full disclosures before the Board Meetings as well as Audit Committee Meetings, prior approval of Audit Committee as well as Board of Directors was obtained and interested directors duly disclosed their interest in the said Board Meetings and did not participate in the discussions on such resolutions. All related party transactions were approved in advance by the Audit Committee. The details of the Related Party Transactions, entered into by the Company in the ordinary course of business at Arm's length basis are given as **Annexure D-9** to the Directors Report. The company has framed its Policy on dealing with Related Party Transactions and the same is available on its website under the weblink <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Annexure-24-A-Policy-on-Related-Party-Transaction.pdf>

(b) Details Of Non-Compliance By The Listed Entity, Penalties, Strictures Imposed On The Listed Entity By Stock Exchange(S) Or The Board Or Any Statutory Authority, On Any Matter Related To Capital Markets, During The Last Three Years

There is no non-compliance by the Company and there are no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years.

(c) Details of establishment of a vigil mechanism cum Whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee

The Vigil Mechanism cum Whistle Blower Policy is in place which is reviewed by the Audit Committee on regular basis and the text of the same is given at the end of this Corporate Governance Report.

The Company do hereby affirm that no personnel has been denied access to the Audit Committee. The Vigil Mechanism cum Whistle Blower Policy is also available on the Website of the Company <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Vigil-Mechanism-policy-07-02-2019.pdf>

(d) **Details of Compliance With Mandatory Requirements Of SEBI (LODR) Regulations, 2015**

The Company has complied with all the mandatory requirements of the Listing Regulations.

Adoption of Non-Mandatory Requirements as per part E of Schedule II Of SEBI (LODR) Regulations, 2015

1. The Board

The Chairman of the Company is an Executive Director. His office is maintained at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

2. Shareholder Rights

Since the Company publishes its Quarterly, Half yearly and Annual Results in Newspapers (English and Hindi) having wide circulation, the results are also displayed on the website of the Company and the BSE Ltd., and the Annual Report of the Company is sent to each shareholder through permitted mode, the Company does not send any declaration of half yearly performance to each household of shareholders.

3. Modified Opinion(s) in the Audit Report

There are no Audit qualifications/Modified Opinion on the Financial Statements of the Company for the year 2018-19 and as such the current Financial Statements are with unmodified audit opinion.

4. Reporting of Internal Auditor

At the moment, the reporting of the internal Audit is not directly to the Audit Committee however, the significant findings of the internal audit are placed before the Audit Committee on regular basis and other SEBI Regulations regarding Internal Audit are duly followed by the Company.

(e) **Web Link Where Policy For Determining 'Material' Subsidiaries Is Disclosed.**

<http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Material-Subsidiary-Policy-07-02-2019-1.pdf>

(f) **Web link where policy on dealing with related party transactions is disclosed:-**

<http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Annexure-24-A-Policy-on-Related-Party-Transaction.pdf>

(g) **Disclosure of commodity price risks and commodity hedging activities**

The Company is not a sizable user of commodities, hence exposes itself moderately to the price risk on account of procurement of commodities. As such, no commodity hedging activities are undertaken by the Company. The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018

Further, the exposure to foreign exchange risk is limited to stock of Foreign Exchange held in the branch offices of the Company and unsettled transactions at the Central treasury which are adequately covered in advance with Banks or other FFMCS. All the Forex Transactions are being covered under the CASH / TOM / SPOT covering.

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

Information in this regard is nil as no funds were raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the year under review.

(i) **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**

The said Certificate is enclosed herewith as **Annexure D-15**.

(j) **Disclosure of cases where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the Financial year 2018-19, along with reasons thereof –**

Information in this regard is nil as there was no instance when board had not accepted any recommendation of any committee of the board which is mandatorily required during the financial year under review.

(k) **Total Fees For All Services Paid By The Listed Entity And Its Subsidiaries, On A Consolidated Basis, To The Statutory Auditor And All Entities In The Network Firm/Network Entity Of Which The Statutory Auditor Is A Part -**

The required information for the Financial Year 2018-19 is given as under:-

Fees paid to the Auditors

Name of the Company	Fees paid for Audit (Including Tax Audit) (Rs.)	Fees paid for other services (Rs.)
Paul Merchants Limited	2,00,000	Nil
Paul Merchants Finance (P) Limited	65000	Nil
PML Realtors (P) Limited	15000	Nil

Fees paid to the all entities in the network firm/network entity of which the statutory auditor is a part

Name of the Company	Fees paid for Audit	Fees paid for other services
Paul Merchants Limited	NIL	NIL
Paul Merchants Finance (P) Limited	Nil	Nil
PML Realtors (P) Limited	Nil	Nil

(I) Disclosures In Relation To The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013:-

- a. Number of complaints filed during the financial year - **NIL**
- b. Number of complaints disposed off during the financial year - **NIL**
- c. Number of complaints pending as on end of the financial year - **NIL**

11. Non-compliance of any requirement of Corporate Governance report of sub paras (2) to (10) of Part C of Schedule V, with reasons thereof

There is no non-compliance of any of the said requirements.

12. Adoption of Discretionary requirements as specified in Part E of Schedule II.

As given above under para (d) of ‘Other Disclosures’

13. 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 of SEBI (LODR) Regulations

The Board do hereby confirm that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations and all these details have been given in the section on Corporate Governance as above. The Company has made all the disclosures on its website www.paulmerchants.net as required under regulation 46 (2) of SEBI (LODR) Regulations.

D. CEO DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

The Managing Director of the Company has issued a Declaration that the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management. As there is no Chief Executive Officer in the Company, this Declaration has been issued by the Managing Director of the Company. The

Declaration is appended to this Report at the end of this Report. This Declaration has been given as **Annexure D-12** to this Report.

Further, in terms of the requirements of Regulation 17 (8) read with Part B of Schedule II to the SEBI (LODR) Regulations, 2015, the Managing Director and the Chief Financial Officer have submitted necessary certificate to the Board of Directors stating & certifying the particulars specified under the said Regulation. As there is no Chief Executive Officer in the Company, this Certificate has been issued by the Managing Director of the Company along with Chief Financial Officer of the Company. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors. This Certificate has been given as **Annexure D-13** to this Report.

E. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

A Certificate obtained from Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh has been obtained and the same has been annexed to this Annual Report as **Annexure D-11**.

Further, a Certificate issued by the Statutory Auditors of the Company certifying compliance by the Company with Guidelines issued by Reserve Bank of India from time to time on KYC/AML/CFT has been annexed to this Annual Report as **Annexure D-14**.

F. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

There is no demat suspense account/ unclaimed suspense account of the Company because such a requirement never got necessitated in relation to the shares of the Company. As such, the information in this regard is Nil.

Miscellaneous Disclosure

(i) Reconciliation Of Share Capital Audit

A reconciliation of Share Capital Audit was carried out by a qualified practicing Company secretary on quarterly basis for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued & listed capital. The audit inter alia confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares with NSDL & CDSL.

(ii) Code For Prevention Of Insider Trading

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Further a Code of Fair Disclosure and Prevention of Insider Trading Code under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 have been adopted and displayed on the website of the Company <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/05/PML-Code-of-Fair-Disclosure-07.02.2019.pdf>. These Codes lay down guidelines vide which it advises the

designated Persons and connected people on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and caution them of the consequences of violations.

(iii) Material Subsidiaries

The Company has one material subsidiary in the name of Paul Merchants Finance (P) Ltd as defined under Regulation 16 (1) (c) of SEBI (LODR) Regulations, 2015, which became as such during the Financial Year 2019-20 on the basis of audited annual accounts for the Financial year 2018-19. The requirement relating to composition of Board of Directors of Unlisted Material subsidiary is complied with.

(iv) Disclosure Regarding Appointment Or Re-appointment Of Directors:

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Smt Sarita Rani Bansal (DIN 00094504) and Sh Sandeep Bansal (DIN 00094391), Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Further, Mr. Sat Paul Bansal is proposed to be re-appointed as Chairman cum Managing Director, Mr. Dilbag Singh Sidhu as Independent Director, Mr. Vigyan Prakash Arora as Independent Director and Mr. Ajay Arora as Independent Director of the Company in the ensuing Annual General Meeting.

Their brief Resumes are already given as part of the Notice of Annual General Meeting.

(v) Code of Conduct

(i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copy of Code of Conduct as applicable to the Directors (including Senior Management of the Company) is uploaded on the website of the Company <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2015/12/PML-Code-of-Conduct-1.pdf>

(ii) The Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2019. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

(vi) Board Disclosures - Risk Management

The Company manages risks as an integral part of its decision making process. The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically.

(vii) Information placed before the Board

The Agenda is circulated well in advance to the Board Members along with Agenda Notes. The items in the Agenda are backed by comprehensive background information to facilitate meaningful discussions and to enable the Board to take efficient decisions. The Board of Paul Merchants Limited is presented with all relevant information on various vital matters affecting the working of the company in addition to the matters set out in Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Also, extensive information is provided on various critical matters such as Risk Assessment, Growth, Expansion, Related party transactions, sales, financial performance, foreign

exchange exposure, Appointment of Key Management Personnel and one level below, material legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters.

(viii) Proceeds from public issues, rights issues, preferential issues, etc.

During the year under review, no money has been raised by the Company by way of Public Issues, Rights Issues, Preferential Issues Etc.

(ix) Management Discussion & Analysis Report:

Management Discussion & Analysis Report forms part of the Annual Report and include discussions on various matters specified under Part B of Schedule V to the SEBI (LODR) Regulations, 2015. The report has already been given as **Annexure D-3** to the Directors' Report.

(x) Annual Secretarial Compliance Report

SEBI vide its circular dated 8th February, 2019 mandated all the listed entities to obtain Annual Secretarial Compliance Report from the Company Secretary in practice on compliance with all applicable SEBI Regulations and circulars / guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report (Form MR – 3). The Company has received the aforesaid report from Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh for the Financial Year 2018-19. A copy of the said Annual Secretarial Compliance Report is enclosed in this Annual Report as **Annexure-D-16**. The report is unqualified. The observations in the aforesaid report are self-explanatory and therefore, the Board of Directors do not have any further comments to offer on the same.

For & On Behalf of the Board

For & On Behalf of the Board

(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)
PLACE: CHANDIGARH
Date: August 6, 2019

(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

VIGIL MECHANISM CUM WHISLTE BLOWER POLICY**PREAMBLE**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, Legality, integrity and ethical behavior. Any actual or potential violation of the same, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations cannot be undermined. Accordingly, this Vigil Mechanism has been formulated with a view to provide a mechanism for employees of the Company and others concerned to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

Regulation 4 (2)(d)(iv) read with Regulation 22 (1) of the Securities & Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, inter alia, provides for requirement to establish a mechanism called 'Whistle Blower Policy' for stakeholders, employees and their representative bodies to report to the management, instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

Section 177 of the Companies Act, 2013 also provides that the Company shall establish a Vigil Mechanism for Directors and Employees to report genuine concerns. This Vigil Mechanism is meant to serve the purpose of Section 177 of the Companies Act, 2013 as well as 'Whistle Blower Policy' under the SEBI (LODR) Regulations.

The Company had adopted the Vigil Mechanism cum Whistle Blower Policy on 27-05-2014 as approved by the Audit Committee. The Audit Committee has amended the Vigil Mechanism cum Whistle Blower Policy on 09.08.2016. Further the Board of Directors amended this Vigil Mechanism cum Whistle Blower Policy in their meeting held on 07-02-2019.

1. OBJECTIVE

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for Stakeholders, Directors, employees and their representative bodies, to raise concerns of any violations of legal or regulatory requirements, unethical behavior, fraud, violation of Company's code of conduct, incorrect or misrepresentation of any financial statements and reports, etc.

2. POLICY

The Vigil Mechanism intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

No adverse action shall be taken or recommended against any Stakeholder, Director, employee or their representative body in retaliation to his disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This protects such employees or Director from unfair termination and unfair prejudicial employment practices.

However, this policy does not protect an employee or Director from an adverse action which occurs independent of his disclosure of unethical and improper practice or alleged wrongful conduct, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

3. DEFINITIONS

- a. **“Disciplinary Action”** means any action that can be taken on the completion of /during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties, termination, legal action or any such action as is deemed to be fit considering the gravity of the matter.
- b. **“Employee”** means every employee of the Company (whether working in India or abroad)
- c. **“Directors”** include independent, Nominee & Alternate directors
- d. **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- e. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under this Policy.
- f. **“Whistleblower”** is someone who makes a Protected Disclosure under this Policy.
- g. **“Whistle Committee”** means a Committee of persons who is/are nominated/ appointed to conduct detailed investigation of the disclosures received from the whistleblower and recommends disciplinary action.
- h. **“Audit Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations.
- i. **“Company”** means Paul Merchants Ltd.
- j. **“Ombudsman”** means, the Officer or Officers designated as such by the Audit Committee for the purpose of this Policy.
- k. **“GOOD FAITH”** An employee or a Director shall be deemed to be communicating in ‘good faith’ if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge of a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- l. **Policy or This Policy means**, “Vigil Mechanism cum Whistle Blower Policy”
- m. **“Improper Activity”**: means to include:

- i. Abuse of authority
- ii. Breach of contract
- iii. Negligence causing substantial and specific danger to the Organization or public health and safety
- iv. Manipulation of company data/records
- v. Financial irregularities, including fraud or suspected fraud or deficiency in Internal Control and internal checks or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
- vi. Any unlawful act whether Criminal/ Civil
- vii. Pilferation of confidential/proprietary information
- viii. Deliberate violation of law/regulation
- ix. Wastage/misappropriation of company funds/assets
- x. Breach of Company Policy or failure to implement or comply with any approved Company Policy, code of conduct
- xi. Unethical behavior
- xii. Leak of any Unpublished Price Sensitive Information (“UPSI”). “UPSI” for this purpose is as defined under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations

4. SCOPE

Various Stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

- a. Employees of the Company and their representative bodies
- b. Directors of the Company
- c. Employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location
- d. Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company
- e. Customers of the Company
- f. Any other person having an association with the Company

A person belonging to any of the above mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy.

NOTE: Policy should not be used to be a route for raising malicious or unfounded allegations against colleagues.

5. GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- i. Ensure that the Whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so
- ii. Treat victimization as a serious matter, including initiating disciplinary action on such person/(s)
- iii. Ensure complete confidentiality

- iv. Not attempt to conceal evidence of the Protected Disclosure
- v. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made
- vi. Provide an opportunity of being heard to the persons involved especially to the Subject

6. ANONYMOUS ALLEGATION

Whistleblowers must put their names to the allegations made by them because follow-up action & investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will ordinarily NOT be investigated.

7. PROTECTION TO WHISTLEBLOWER

- A. If any stakeholder raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:
 - i. The communication/ disclosure is made in good faith
 - ii. He/she reasonably believes that information and any allegations contained in it, are substantially true; and
 - iii. He/she is not acting for personal gain
 - iv. Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals.

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

- B. The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed on any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.
Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

8. ACCOUNTABILITIES – WHISTLEBLOWERS

- I. Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for

concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.

- II. Avoid anonymity when raising a concern.
- III. Follow the procedures prescribed in this policy for making a Disclosure
- IV. Co-operate with investigating authorities, maintaining full confidentiality
- V. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action
- VI. A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation
- VII. Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed
- VIII. In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Whistle Committee, he/she can make a direct appeal to the CMD of the Company or the Audit Committee

9. ACCOUNTABILITIES – OMBUDSMAN AND WHISTLE COMMITTEE

- i. Conduct the enquiry in a fair, unbiased manner
- ii. Ensure complete fact-finding
- iii. Maintain strict confidentiality
- iv. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- v. Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- vi. Minute Committee deliberations and document the final report

10. RIGHTS OF A SUBJECT

- i. Subjects have right to be heard and the Ombudsman or the Committee must give adequate time and opportunity for the subject to communicate his/her stand on the matter
- ii. Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/investigation process

11. MANAGEMENT ACTION ON FALSE DISCLOSURES

An employee/person who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure or intimation by him and for legitimate reasons or cause under Company rules and policies.

12. PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

The procedure as per Annexure will be followed.

13. ACCESS TO REPORTS AND DOCUMENTS

All reports and records associated with 'Disclosures' are considered confidential information and access will be restricted to the Whistleblower, the Whistle Committee and Ombudsman. 'Disclosures' and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

14. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 03 years from the date of conclusion of the investigation.

15. REPORTS

A periodical status report on the total number of complaints received during the period, with summary of the findings of the Whistle Committee and the corrective actions taken will be sent to the Audit Committee as well as Board of Directors of the Company. The contents of this Policy will be displayed by the Company on its Website and will also be included in the Directors Report.

16. COMPANY'S POWERS

The Company is entitled to amend, suspend or rescind this policy at any time. Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed to or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy and the applicable Law. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance. The Audit Committee shall review the policy and its implementation on regular basis.

ANNEXURE

PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

1. How should a Disclosure be made and to whom?

A disclosure should be made in writing. Letters can be submitted by hand delivery, courier or by post addressed to the Ombudsman appointed by the Company. Emails can be sent to the email id: ombudsman@paulmerchants.net.

However, Disclosures against any employee of HOD cadre or the Business Heads or the Executive Directors should be sent directly to the Chairman of Audit Committee of the Company on his email id: vigyan@vigyanarora.com.

2. Is there any specific format for submitting the Disclosure?

While there is no specific format for submitting a Disclosure, the following details MUST be mentioned:

- a) Name, address and contact details of the Whistleblower (add Employee ID if the Whistleblower is an employee).
- b) Brief description of the Malpractice, giving the names of those alleged to have committed or about to commit a Malpractice. Specific details such as time and place of occurrence are also important. Documentary evidence, wherever possible, should be appended.
- c) In case of letters, the disclosure should be sealed in an envelope marked "Whistle Blower" and addressed to the Ombudsman or the Chairman, Audit Committee, depending on position of the person against whom disclosure is made.

3. What will happen after the Disclosure is submitted?

- a. The Ombudsman shall acknowledge receipt of the Disclosure as soon as practical (preferably within 04 days of receipt of a Disclosure), to the address provided by the Whistleblower.
- b. The Ombudsman will proceed to determine whether the allegations (assuming them to be true only for the purpose of this determination) made in the Disclosure constitute a Malpractice by discussing with the Executive Directors and CMD of the Company (if required). If the Ombudsman unanimously determines that the allegations do not constitute a Malpractice, he/she will record this finding with reasons and communicate the same to the Whistleblower
- c. If the Ombudsman determines or any one member is of the opinion that the allegations constitute a Malpractice, he/she will proceed to investigate the Disclosure with the assistance of the Whistle Committee comprising of Senior Level Officers of HR, Internal Audit, Finance and Legal. The Whistle Committee, if it deems fit can also take assistance of Head of the Department where the breach has occurred. If the alleged Malpractice is required by law to be dealt with under any other mechanism, the Ombudsman shall refer the Disclosure to the appropriate authority under such mandated mechanism and seek a report on the findings from such authority.

- d. If the Protected Disclosure has been made to the Chairman of the Audit Committee, he will proceed to investigate the matter with the help of CMD, Ombudsman or Whistle Committee or any other officer as he deems fit.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. The investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access to systems and other information by the Ombudsman or Whistle Committee for the purpose of such investigation shall do so. Individuals with whom the Ombudsman or Whistle Committee requests an interview for the purposes of such investigation shall make themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.
- g. If the Malpractice constitutes a criminal offence, the Ombudsman will bring it to the notice of the Executive Directors & CMD and take appropriate action including reporting the matter to the police. In other cases, the Ombudsman will take appropriate action against the culprit in consultation with the Whistle Committee.
- h. The CMD of the Company may, at his/her discretion, participate in the investigations of any Disclosure.
- i. The Whistle Committee shall conduct such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the Ombudsman as soon as practically possible and in any case, not later than 90 days from the date of receipt of the Disclosure. The Ombudsman may allow additional time for submission of the report based on the circumstances of the case.
Whilst it may be difficult for the Ombudsman to keep the Whistleblower regularly updated on the progress of the investigations, he/she will keep the Whistleblower informed of the result of the investigations and its recommendations subject to any obligations of confidentiality.
- j. The Ombudsman will ensure action on the recommendations of the Whistle Committee and keep the Whistleblower informed of the same. Though no timeframe is being specified for such action, the Company will endeavor to act as quickly as possible in cases of proved Malpractice.
- k. In case, the Whistle Blower is not satisfied with the investigation carried by the Whistle Committee, he can appeal to the Chairman of Audit Committee with all relevant details.

4. What should a Whistleblower do if he/she faces any retaliatory action or threats of retaliatory action as a result of making a Disclosure?

If anyone faces any retaliatory action or threats of retaliatory action as a result of making a Disclosure, he/she should inform the Ombudsman in writing immediately. Ombudsman will treat reports of such actions or threats as a separate Disclosure and investigate the same accordingly and may also recommend appropriate steps to protect the Whistle Blower from exposure to such retaliatory action and ensure implementation of such steps for your protection.

In case, the Whistle Blower is not satisfied with the resolution given by Ombudsman, he can appeal to the Chairman of Audit Committee with all relevant details.

For & On Behalf of the Board

**(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)**

For & On Behalf of the Board

**(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)**

**PLACE: CHANDIGARH
Date: August 6, 2019**

Annexure D-11**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

(Regulation 34(3) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of Paul Merchants Limited

1. We have examined the compliance of conditions of Corporate Governance by PAUL MERCHANTS LIMITED (“the Company”), for the year ended on March 31, 2019, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 01, 2018 to March 31, 2019.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as mentioned in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.
4. We state that such compliance 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.

Date: 06-08-2019
Place: Chandigarh

sd/-
Kanwaljit Singh Thanewal
Company Secretary in Practice
FCS No. 5901
C.P. No. 5870

Annexure D-12

DECLARATION OF THE MANAGING DIRECTOR

This is to certify that the Company has laid down code of conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2015/12/PML-Code-of-Conduct-1.pdf>. Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the code applicable to them during the year ended March 31, 2019.

**Place: CHANDIGARH
Date: 06.08.2019**

**SD/-
SAT PAUL BANSAL
Managing Director
DIN-00077499**

Annexure D-13

CEO AND CFO CERTIFICATE

To

The Board of Directors of,
Paul Merchants Limited,
SCO 829-830, Sector 22-A,
Chandigarh

Date: May 14th, 2019

We hereby certify in terms of Regulation 17 (8) of S.E.B.I. (Listing Obligations And Disclosure Requirements) Regulations, 2015:-

A. We have reviewed Standalone as well consolidated financial statements and the cash flow statement of Paul Merchants Limited for the year ended 31.03.2019 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 Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

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

(1) 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 we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Bhupinder Kaur
(Chief Financial officer)
PAN- ABCPK2505K

Sd/-

Sat Paul Bansal
(Chairman & Managing Director)
DIN-00077499

Annexure D-14

M/s Paul Merchants Ltd
SCO No. 829-830
Sector 22-A,
Chandigarh

FOR SUBMISSION TO RESERVE BANK OF INDIA

It is hereby certified that on the basis of examination of the records of M/s Paul Merchants Limited, having its Corporate Office at SCO 829-830, Sector 22-A, Chandigarh and concurrent audit reports and according to information and explanation given to us for the period from 1st April 2018 to 31st March, 2019, the Company has complied with Guidelines issued by Reserve Bank of India from time to time on KYC/AML/CFT.

It is also certified that the Internal Control and Concurrent Audit of the Company is satisfactory.

The above certificate is issued at the request of Company after performance of due-diligence and examination of records produced before us for verification.

**FOR JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS**

Place: Chandigarh
Date: 06/08/2019

**Sd/-
(CA. NEERAJ JAIN)
Partner
M. No. 089477**

Annexure D-15**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 Paul Merchants Limited
 Regd. Office: DSM 335,336,337, 3rd Floor,
 DLF Tower, 15, Shivaji Marg,
 Najafgarh Road,
 New Delhi-110015

**Corp. Office: SCO 829-830, Sector 22-A,
 Chandigarh**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Paul Merchants Limited having CIN L74900DL1984PLC018679 and having registered office at DSM 335,336,337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi-110015 (hereinafter referred to as 'the Company'), produced before me/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. In my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of appointment In Company
1.	SHRI. SAT PAUL BANSAL	00077499	27-09-1990
2.	SHRI. RAJNEESH BANSAL	00077230	27-02-1999
3.	SH. DHARAM PAL SHARMA	07284332	09-11-2015
4.	SHRI. SANDEEP BANSAL*	00094391	18-09-1993
5.	SMT. SARITA RANI BANSAL	00094504	01-04-2015
6.	SHRI. DILBAG SINGH SIDHU	05210193	26-02-2012
7.	SHRI. VIGYAN PRAKASH ARORA	00806647	01-04-2010
8.	SHRI AJAY ARORA	00314161	27-05-2014
9.	SHRI ARJUN PANDURANG GHUGAL	02414741	25-10-2014
10.	SHRI UMA SHANKAR PALIWAL	06907963	29-05-2017

*It may be noted that Director Identification Number (DIN) 00094391 of Sh. Sandeep Bansal had been deactivated by the Ministry of Corporate Affairs w.e.f. 01.11.2017 due to the default committed by M/s Chandigarh Network Systems (P) Ltd, in filing the financial statements and annual returns with Registrar of Companies, which is not a group Company of Paul Merchants Limited. Pursuant to the Writ Petition filed by Sh. Sandeep Bansal before the Hon'ble High Court of Punjab and Haryana, his disqualification as director has been stayed by the High Court vide its interim order dated 19-03-2019 and his DIN has also been activated.

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

Place: Chandigarh
Date : 06.08.2019

sd/-
Name: Kanwaljit Singh Thanewal
Membership no. F5901
C.P. No. 5870

Annexure-D-16**Secretarial compliance report of Paul Merchants Limited
for the year ended March 31, 2019**

To,
Paul Merchants Limited,
DSM 335,336,337, 3rd Floor,
DLF Tower, 15, Shivaji Marg,
Najafgarh Road, New Delhi.

I, Kanwaljit Singh Thanewal, Company Secretary, have examined:

- (a) all the documents and records made available to us and explanation provided by Paul Merchants Limited (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2019 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: Not applicable to the company during the Review Period.
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not applicable as there was no instance of Buy-Back of its securities during the Review Period.
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: Not Applicable as no Share Based Employee Benefits were provided during the review period;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable as the company has not issued any debt securities during the Review Period.
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013: Not applicable as the company has not issued any such securities during the Review Period.
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (i) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018

and circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.

- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable				

Date: 28.05.2019
Place: Chandigarh

Kanwaljit Singh Thanewal
M No. 5901
C P No. 5870

Independent Auditor's Report

To the Members of

PAUL MERCHANTS LIMITED

Report on the Financial Statements

We have audited the accompanying Standalone financial statements of **PAUL MERCHANTS LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other comprehensive Income), the statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at March 31, 2019, and its financial

performance including other comprehensive Income , the changes in equity & its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
 - c. The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid Standalone 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 written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 B**".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 35 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
JAIN & ASSOCIATES
Chartered Accountants
FRN:01361N

CA. Neeraj Jain
Partner
Membership number: 089477

Place: Chandigarh

Date: 14th May 2019

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no discrepancies between the books records and the physical fixed assets have been noticed.

(c) According to information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of company as at balance sheet date. . In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the company.
- ii. (a) The management has conducted the physical verification of inventory at reasonable intervals.

(b) No discrepancies noticed on physical verification of the inventory as compared to books records.
- iii. According to information and explanation given to us, the company has not granted unsecured loan to bodies corporate, covered in register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security, as applicable.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute except for as stated in "Note 35 – Contingent Liabilities not provided for".
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. In our Opinion and according to information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with him during the year. Hence provisions of section 192 of the companies Act, 2013 are not applicable.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
JAIN & ASSOCIATES
Chartered Accountants
FRN:01361N

Place: Chandigarh

Date: 14 May 2019

CA. Neeraj Jain
Partner
Membership number: 089477

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone
Financial Statements of Paul Merchants 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 Paul Merchants Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 and on behalf of
JAIN & ASSOCIATES
Chartered Accountants
FRN:01361N

Place: Chandigarh

Date: 14th May 2019

CA. Neeraj Jain
Partner
Membership number: 089477

PAUL MERCHANTS LTD
BALANCE SHEET AS ON 31ST MARCH 2019

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	As on 31.03.2019	As on 31.03.2018
ASSETS			
(1) Non-Current Assets			
a) Property, Plant and Equipment	1	74,65,39,302	75,16,10,953
b) Capital Work in Progress		-	-
c) Investment Property		-	-
d) Goodwill		-	-
e) Other Intangible Assets		-	-
f) Intangible Assets Under Development		-	-
g) Biological Assets other than bearer plants		-	-
c) Financial Assets			
i) Investments	2	1,68,80,99,389	67,88,86,229
ii) Trade Receivables		-	-
iii) Loans		-	-
iii) Others		-	-
d) Deferred Tax Assets (Net)	3	3,52,57,001	53,57,457
e) Other Non-Current Assets	4	70,88,409	2,75,53,954
(2) Current Assets			
a) Inventories	5	4,66,90,380	4,88,92,467
b) Financial Assets			
i) Current Investments	6	90,58,49,814	1,22,17,89,018
ii) Trade Receivables	7	3,70,93,383	15,79,11,613
iii) Cash and Bank Balance	8	6,40,92,841	25,07,28,213
iv) Bank Balance other than iii above	9	1,01,88,465	84,75,75,404
v) Loans	10	35,11,71,836	-
vi) Others	11	2,10,86,160	2,30,64,473
c) Current Tax Assets	12	5,24,29,864	65,19,55,448
d) Other Current Assets	13	16,84,873	18,08,002
TOTAL		3,96,72,71,717	4,66,71,33,232
EQUITY AND LIABILITIES			
EQUITY			
Shri Laxmi Ji		1	1
a) Equity Capital	14	1,02,80,000	1,02,80,000
b) Other Equity	15	3,78,90,89,087	3,63,78,43,955
LIABILITIES			
(1) Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	-	13,44,277
b) Provisions	17	1,47,83,901	1,45,56,467
(2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	18	13,01,535	17,24,06,232
ii) Trade Payables	19	3,63,32,589	6,70,21,544
iii) Other Financial Liabilities		-	-
b) Other Current Liabilities			
c) Provisions	20	7,91,10,924	9,57,42,346
	21	3,63,73,680	66,79,38,410
TOTAL		3,96,72,71,717	4,66,71,33,232

The accompanying accounting policies and notes form an integral part of the standalone financial statements.

PLACE: CHANDIGARH
DATED: 14.05.2019

For & on Behalf of Board of Directors

SAT PAUL BANSAL
Chairman cum Managing Director
DIN-00077499
H. No. 749,
Sec 8, Chandigarh

HARDAM SINGH
Company Secretary
FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

RAJNEESH BANSAL
Executive Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

BHUPINDER KAUR
Chief Financial Officer
FCA-508485
H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

AUDITOR'S REPORT:
As per our Separate Report of the Even Date

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN - 01361N)

CA. NEERAJ JAIN
Partner
(M. No. 089477)

PAUL MERCHANTS LTD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MAR 2019

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	CURRENT YEAR 31.03.2019	PREVIOUS YEAR 31.03.2018
I. REVENUE			
Revenue from Operations	22	48,98,96,07,212	45,41,59,03,277
Other Income	23	12,44,63,891	8,78,55,262
III Total Income (I+II)		49,11,40,71,103	45,50,37,58,539
IV. EXPENSES			
Purchase of Foreign Exchange and Services	24	48,27,52,69,237	44,79,22,08,284
Changes in Inventories of Stock in Trade	25	22,02,087	26,49,186
Direct Expenses	26	32,31,91,827	22,04,20,724
Office & Administrative Expenses	27	9,73,77,516	9,09,18,170
Employee Benefit Expenses	28	21,39,69,814	12,89,09,029
Finance Costs	29	46,22,170	1,43,11,029
Sales Promotion Expenses	30	1,47,99,310	76,94,306
Corporate Social Responsibility Expenses	31	58,73,777	59,67,282
Other Expenses	32	12,98,370	8,70,366
Depreciation	1	3,25,90,650	3,33,02,366
TOTAL EXPENSES IV		48,97,11,94,758	45,29,72,50,743
V. PROFIT BEFORE EXCEPTIONAL ITEMS & TAX (III - IV)		14,28,76,345	20,65,07,796
VI. EXCEPTIONAL ITEMS		-	-
VII. PROFIT BEFORE TAX (V - VI)		14,28,76,345	20,65,07,796
VIII. TAX EXPENSE			
(1) Current Tax		2,75,20,652	5,59,39,211
(2) Prior Period Tax		-52,58,039	-
(2) Deferred Tax	40	-2,98,99,544	45,89,537
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII - VIII)		15,05,13,276	14,59,79,048
X Profit/Loss from Discontinued Operations	33	-	2,58,26,26,405
XI Tax Expense of Discontinued Operations			59,77,15,647
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X-XI)		-	1,98,49,10,758
XIII PROFIT/(LOSS) FOR THE PERIOD (IX+XII)		15,05,13,276	2,13,08,89,806
XIV OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined benefit obligations		11,24,962	-8,21,908
(ii) Income tax relating to items that will not be reclassified to profit or loss		-3,93,107	2,84,446
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV)		15,12,45,132	2,13,03,52,344
XVI EARNING PER EQUITY SHARE (FOR CONTINUING OPERATION)	36		
1) BASIC		146.41	142.00
2) DILUTED		146.41	142.00
XVII EARNING PER EQUITY SHARE (FOR DISCONTINUED OPERATION)	36		
1) BASIC		-	1,930.85
2) DILUTED		-	1,930.85
XVIII EARNING PER EQUITY SHARE (FOR CONTINUING & DISCONTINUED OPERATION)	36		
1) BASIC		146.41	2,072.85
2) DILUTED		146.41	2,072.85

The accompanying accounting policies and notes form an integral part of the standalone financial statements.

PLACE: CHANDIGARH
DATED: 14.05.2019

For & on Behalf of Board of Directors

AUDITOR'S REPORT:
As per our Separate Report of the Even Date

SAT PAUL BANSAL
Chairman cum Managing Director
DIN-00077499
H. No. 749,
Sec 8, Chandigarh

RAJNEESH BANSAL
Executive Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN - 01361N)

HARDAM SINGH
Company Secretary
FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

BHUPINDER KAUR
Chief Financial Officer
FCA-508485
H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

CA. NEERAJ JAIN
Partner
(M. No. 089477)

PAUL MERCHANTS LTD
STATEMENT OF CHANGES IN EQUITY
CIN-L74900DL1984PLC018679

A Equity Share Capital

Changes in equity share capital

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Amount (Rs)	Amount (Rs)
Balance at the beginning of the reporting period	1,02,80,000	1,02,80,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	1,02,80,000	1,02,80,000

B Other Equity

Changes in other equity for the year ended 31st March, 2019

Particulars	Security premium Account	Reserves and Surplus	Total
		Retained earnings	
Balance as on 01.04.2018	50,40,000	3,63,28,03,955	3,63,78,43,955
Net Profit / Loss for the year		15,05,13,276	15,05,13,276
Other Comprehensive income for the year			
Remeasurements of net defined benefit plans		7,31,855	7,31,855
Balance as on 31.03.2019	50,40,000	3,78,40,49,087	3,78,90,89,087

Changes in other equity for the year ended 31st March, 2018

Particulars	Reserves and Surplus		Total
	Security premium Account	Retained earnings	
	Balance as on 01.04.2017	50,40,000	1,50,24,51,611
Net Profit / Loss for the year		2,13,08,89,806	2,13,08,89,806
Other Comprehensive income for the year			
(a) Remeasurements of net defined benefit plans		(5,37,462)	(5,37,462)
Balance as on 31.03.2018	50,40,000	3,63,28,03,955	3,63,78,43,955

PLACE: CHANDIGARH

DATED: 14.05.2019

For & on Behalf of Board of Directors

SAT PAUL BANSAL
Chairman cum Managing Director
DIN-00077499
H. No. 749,
Sec 8, Chandigarh

RAJNEESH BANSAL
Executive Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

HARDAM SINGH
Company Secretary
FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

BHUPINDER KAUR
Chief Financial Officer
FCA-508485
H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN – 01361N)

CA. NEERAJ JAIN
(M. No. 089477)

PAUL MERCHANTS LTD
STATEMENT OF CASH FLOW AS ON 31ST MARCH, 2019

CIN-L74900DL1984PLC018679

Amount (in Rs.)

PARTICULARS	CURRENT YEAR 31.03.2019	PREVIOUS YEAR 31.03.2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	14,40,01,307	2,78,83,12,294
Adjustment for:		
Depreciation	3,25,90,650	3,33,02,366
Profit/Loss on Sale of Fixed Assets/Investments	(40,28,577)	(6,73,398)
Gain on Sale of MTSS business	-	(2,63,00,10,000)
Gain on Sale of Investments	(4,78,52,078)	(1,00,90,584)
Finance Cost	46,22,170	1,43,11,029
Short Term Provisions	(63,15,64,729)	53,75,69,481
Long Term Provisions	2,27,434	(88,61,387)
Rental Income	(88,78,592)	(24,28,172)
Interest Income	(4,53,89,057)	(4,80,74,125)
Dividend Received	(80,76,552)	(1,07,35,654)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	(56,43,48,024)	66,26,21,850
Adjustment for :		
Net changes in operating Assets & Liabilities		
Decrease/(Increase) in Inventory	22,02,087	26,49,185
Increase in Current Investments	36,37,91,282	(1,12,75,05,032)
Decrease in Trade receivable	12,08,18,230	18,83,26,804
Increase in Other Bank Balance	83,73,86,939	(55,14,23,073)
Increase in Short Term Loans & Advances	(34,91,93,522)	18,70,88,317
Decrease in Current Tax Assets	59,95,25,585	(55,45,81,001)
Decrease in other Current Assets	1,23,129	20,71,685
Decrease in Trade Payables	(3,06,88,955)	(19,94,34,440)
Decrease in Other Current Liabilities	(1,66,31,422)	(8,58,45,290)
CASH FROM/(USED IN) OPERATIONS	96,29,85,328	(1,47,60,30,995)
Income Taxes Paid	(2,26,55,720)	(65,33,70,412)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	94,03,29,609	(2,12,94,01,407)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	6,41,70,552	2,64,88,84,325
Purchase of Fixed Assets	(8,76,60,974)	(28,88,37,572)
Increase in Loans and advances	-	-
Increase of Non Current Investments	(1,00,92,13,160)	(64,84,14,104)
Increase in Other Non Current Assets	2,04,65,545	(59,82,831)
Decrease in Other Long Term Liabilities	-	(32,41,500)
Rental Income	88,78,592	24,28,172
Interest Income	4,53,89,057	4,80,74,125
Dividend Income	80,76,552	1,07,35,654
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(94,98,93,836)	1,76,36,46,268
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings (Net of Repayments)		
Long Term Borrowings	(13,44,277)	(26,33,585)
Short Term Borrowings	(17,11,04,697)	(16,03,807)
Finance Cost	(46,22,170)	(1,43,11,029)
NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	(17,70,71,144)	(1,85,48,421)
Net Change in Cash & Cash Equivalents (A+B+C)	(18,66,35,372)	(38,43,03,560)
Cash and Cash equivalent at the beginning of the year	25,07,28,213	63,50,31,772
Cash and Cash equivalents at the end of the year	6,40,92,841	25,07,28,213

Place : Chandigarh.
Dated : 14.05.2019

For & on behalf of Board of Directors

(HARDAM SINGH)
Company Secretary

(BHUPINDER KAUR)
Chief Financial Officer

(RAJNEESH BANSAL)
Executive Director

(SAT PAUL BANSAL)
Managing Director

AUDITOR'S CERTIFICATE

We have examined the Cash flow Statement of Paul Merchants Limited for the year ended 31st March 2019. The Statement has been prepared by the Company in accordance with the requirements of Regulation 34(2c) of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 and is based on and in agreement with the corresponding Statement of Profit and Loss account and Balance Sheet of the Company covered by our report to the members of the Company

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN - 01361N)

Place: Chandigarh
Dated: 14.05.2019

CA. NEERAJ JAIN
Partner
(M. No. 089477)

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standard (IndAS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

B. Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets which have been measured at fair value.

C. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

D. Property, Plant and Equipment (PPE)

The items of Property Plant & equipment are measured at Cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation (if any), less accumulated depreciation and impairment loss, if any. All costs, including financing costs, attributable to the fixed assets are capitalized. The Company had opted to measure all its property, plant and equipment and intangible assets at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition to Ind AS.

E. Depreciation

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) in the manner prescribed in Schedule II to the Companies Act, 2013 over their remaining useful life on pro-rata basis.

F. Impairment of 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 Account 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.

G. Foreign Currency Transactions

- 1 Purchases and sales of foreign currencies and traveller's cheques are accounted at the contracted rates. Other transactions in foreign currencies are initially recognised at the rate at which the transaction is entered into. On settlement of such transactions the profit/loss arising from exchange differences is recognised in the Statement of profit and loss. Receipts of foreign exchange in money transfer are accounted on the prevalent bank conversion rate or forward contract rate as the case may be and the profit / loss arising from exchange differences is recognised in the Statement of profit and loss
- 2 Similarly all other Foreign Currency transactions have also been recorded at exchange rate prevailing on the date of the transaction.
- 3 Foreign Currency Fixed Deposits, Balances in Foreign Currency Bank Accounts and other Foreign Currency receivables or payables are valued at year end rates and gains/losses due to exchange rate differences have been adjusted in Profit & Loss Account

H. Investments

Company has opted to measure its investments in subsidiaries, joint ventures and associates at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. The Company accounts for all its investments at Fair value through profit or loss except for Investments in Subsidiary, Joint Venture and Associates.

I. Inventories

Stock of Foreign Currency/TC and Stock of Shares held for trading purposes has been valued at cost.

J. Cash and cash equivalents

Cash and cash equivalents Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value in accordance with IND AS 7. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

K. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of Foreign Exchange and Services. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

L. Employee Benefits

The entity makes contributions to statutory provident funds in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948. Provident Fund and ESI are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the fund.

Gratuity Liability as on 31st March 2019 has been provided for on basis of actuarial valuation basis Projected unit credit method in accordance with IND AS-19.

Leave encashment which are short term compensated absences are charged to profit and loss account of the year in which it is due.

M. Borrowing Costs

As per IND AS 23 Borrowing costs that are attributable to the acquisition or construction of qualifying assets (if any) are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

N. Forex Hedging Transactions

In respect of Forex hedging transactions, gains / losses on settlement and losses on restatement are recognized in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

O. Provision for Current and Deferred Tax

Current income tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

P. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Q. Classification of Current / Non Current Assets

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to The Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has assumed its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAR 2019

Note 1: PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Gross Block (Amount in Rupees)				Accumulated Depreciation (Amount in Rupees)				Net Block (Amount in Rupees)	
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31st Mar 2019	Balance as at 1 April 2018	Depreciation charge for the year	On disposals	Balance as at 31st Mar 2019	Balance as at 31st March 2018	Balance as at 31st Mar 2019
Land	44,58,11,839	4,57,23,759	5,04,94,141	44,10,41,457	-	-	-	-	44,58,11,839	44,10,41,457
Buildings	30,11,00,054	1,47,41,786	76,05,659	30,82,36,181	4,55,94,581	1,28,09,118	1,91,527	5,82,12,172	25,55,05,473	25,00,24,009
Computers & Desktop	3,12,42,537	4,76,465	13,59,047	3,03,59,955	2,81,29,031	12,52,347	12,73,221	2,81,08,158	31,13,506	22,51,798
Servers & Networks	1,13,00,740	4,50,000	39,01,677	78,49,063	93,69,972	7,30,721	34,70,718	66,29,975	19,30,768	12,19,088
Furniture and Fittings	3,53,44,551	55,16,419	22,30,907	3,86,30,062	2,59,22,406	28,85,024	19,46,116	2,68,61,314	94,22,145	1,17,68,748
Motor Cars	5,41,84,002	1,80,91,848	35,36,521	6,87,39,329	2,91,80,022	1,06,35,765	22,51,111	3,75,64,676	2,50,03,980	3,11,74,653
Motor Cycles	84,140	63,277	-	1,47,417	70,885	10,813	-	81,698	13,255	65,720
Office Equipments	1,17,45,792	18,82,279	3,90,416	1,32,37,654	95,84,150	14,70,580	3,51,255	1,07,03,475	21,61,642	25,34,179
Electrical Installations & Equipments	1,65,92,689	5,15,142	5,23,896	1,65,83,935	1,20,24,273	12,79,901	4,16,341	1,28,87,832	45,68,417	36,96,103
Plant & Machinery (Solar Power Plant)	22,20,000	2,00,000	-	24,20,000	5,74,932	3,21,860	-	8,96,792	16,45,068	15,23,208
Leasehold Improvements	37,29,942	-	-	37,29,942	12,95,080	11,94,521	-	24,89,601	24,34,862	12,40,341
Total Current Year	91,33,56,285	8,76,60,974	7,00,42,264	93,09,74,995	16,17,45,331	3,25,90,650	99,00,288	18,44,35,693	75,16,10,953	74,65,39,302
Total Previous Year	67,98,72,409	28,88,37,572	5,53,53,696	91,33,56,285	16,55,95,734	3,33,02,366	3,71,52,769	16,17,45,331	51,42,76,675	75,16,10,953

Note 2: FINANCIAL ASSETS - NON CURRENT INVESTMENTS

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Investments (unquoted, fully paid up, at cost)		
Investments in Subsidiary		
Paul Merchants Finance Private Limited 3,10,17,175 Shares having Face Value of Rs 10 each (Previous Year 1,34,75,418 Shares having Face value of Rs 10 each)	1,40,76,27,264	55,14,14,104
PML Realtors Private Limited 2,50,00,000 Shares having Face value of Rs 10 each (Previous Year 97,00,000 Shares having Face value of Rs 10 each)	25,00,00,000	9,70,00,000
Investments in Joint Venture		
19.42% JV Investment (Previous Year 19.42%) in Horizon Remit SDN BHD, Malaysia	3,04,72,125	3,04,72,125
Total	1,68,80,99,389	67,88,86,229

Note 3: DEFFERED TAX ASSETS

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Opening Balances	53,57,457	99,46,994
Add/Less: Deferred Tax Assets created/(written back) during the year	2,98,99,544	-45,89,537
Total	3,52,57,001	53,57,457

Note 4: OTHER NON CURRENT ASSETS

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Advance against Properties	70,88,409	2,75,53,954
Total	70,88,409	2,75,53,954

Note 5: INVENTORIES

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Stock of Foreign Currency at Cost	4,66,25,220	4,88,27,307
Stock Of Shares at Cost	65,160	65,160
Total	4,66,90,380	4,88,92,467

Note 6: FINANCIAL ASSETS -CURRENT INVESTMENTS

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Investments measured at Fair Value Through Profit & Loss		
Investment in Mutual Funds		
DSP Black Rock Income opportunity Fund	-	13,63,51,918
Aditya Birla Sun Life Corporate Bond Fund	1,25,695	1,18,947
ABSL Cash Manager Fund	-	2,45,65,607
Aditya Birla Sun Life Equity Savings Fund Direct		39,80,734
Aditya Birla Sun life Pure Value Fund	12,04,602	13,87,641
Birla Sun Life Floating Rate Fund Short Term Plan	-	5,01,45,756
Ambit Alpha Fund Scheme	-	1,01,29,338
ASK Equity PMS	25,06,459	-
Axis Focused 25 Fund Direct Plan Growth	3,81,502	70,08,290
Axis Liquid Fund	2,20,88,300	-
HDFC Liquid Fund Direct Plan Growth	6,32,972	-
HDFC Equity Savings Fund Direct Plan Growth	-	74,34,667
HDFC Capital Builder Fund- Growth	13,98,295	3,75,132
HDFC MID-CAP Opportunities Fund - Growth	1,90,968	1,87,935
HDFC Liquid Fund	-	9,16,967
HDFC Small Cap Fund Direct Plan Growth	4,15,235	-
ICICI Prudential Arbitrage Fund Monthly Dividend	-	2,54,70,341
ICICI Prudential Liquid Direct Plan Growth	-	4,51,24,474
ICICI Prudential Regular Savings Fund - Growth	-	5,08,84,551
L&T India Value Fund-Regular Plan -Growth	4,75,171	2,76,031
L&T Liquid Fund Direct Plan Growth	6,93,224	-
L&T Income Opportunities Fund - Regular Plan	-	5,09,59,827
L&T Liquid Fund	5,59,912	7,12,914
L&T India Value Fund Direct Plan Growth	3,50,022	
Reliance Arbitrage Advantage Fund Monthly Dividend	-	5,27,81,086
IDFC Ultra Short Term Fund	-	6,11,134
IDFC Sterling Equity Fund -Regular Plan-Growth	-	3,63,454
IDFC Fixed Term Plan Series 149 Direct Plan	3,23,34,300	-
IDFC Sterling Equity Fund Regular Plan Growth 2089	9,46,779	-
Kotak Liquid Fund	6,32,846	-
Kotak Equity Arbitrage fund Direct fortnightly Dividend Plan	7,70,97,663	-
Kotak Standard Multicap Fund Direct Plan Growth	4,18,377	-
Mirae Asset Cash Management Fund	6,12,853	-
Mirae Asset India Equity Fund Direct Plan	4,35,596	-
UTI Arbitrage Fund Direct Plan Dividend Reinvestment	5,06,76,711	-

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Investments in Tax Free Bonds -Quoted at FVTPL- Pledged *		
7.03 % Housing and Urban Development Corporation Limited	1,22,84,640	1,24,36,918
8.56 % Housing and Urban Development Corporation Limited	2,52,29,134	2,57,89,330
8.48% India Infrastructure Finance Company Limited	5,97,39,203	6,10,49,453
8.54% Power Finance Corporation Limited	5,92,40,500	6,05,72,465
Rural Electrification Corporation Limited	2,26,99,208	2,31,94,689
7.22% Rural Electrification Corporation Limited	1,36,63,520	1,38,43,973
7.55% Indian Railway Finance corporation	2,12,39,096	-
8.20% NHAI 2022	2,17,35,600	-
8.20% Power Finance Corporation Ltd	1,51,61,426	-
7.62% HUDCO 11 Nov 21	2,11,22,023	-
6.70% IRFC 8 March 2020	53,22,211	-
8.23% IRFC 18 Feb 24	57,58,911	-
Investments in Listed Non convertible Debentures -Quoted at FVTPL		
Zero Coupon Nabard Bonds	-	6,54,86,105
IIFL Wealth Finance Limited -8.25 MLD	6,85,43,400	1,05,41,963
Kotak Mahindra Prime Limited 8.70% MLD	4,25,80,000	-
Aditya Birla Finance Limited MLD NCD	3,06,72,000	-
HDB Financial Services Limited MLD	3,03,21,000	-
IIFL Wealth Finance Limited -9.25 MLD	1,09,94,100	-
Muthoot Finance Limited 9.5% MLD	10,50,000	-
Tata Capital Financial Services Ltd MLD	2,02,40,000	-
Tata Capital Financial Services Ltd MLD ASK	3,02,49,000	-
Investments in Bonds and debentures -Unquoted at FVTPL		
Rural Electrification Corporation Limited -Capital Gain Bonds	52,02,089	50,56,815
Investments in Preference Shares- Quoted at FVTPL		
7.50% Vedanta Limited	-	4,80,30,239
6% Zee Entertainment Enterprises Limited	1,66,91,640	2,25,31,863
Investments in Equity- Unquoted at FVTPL		
EBIX Money Express Private Limited- 15,77,778 shares having Face Value of Rs.10 Each	-	31,73,00,000
Investments in Structured Entity - Unquoted at FVTPL		
Aventus Enhanced Return Fund Class A1 Folio No. 32	5,40,65,873	3,08,29,487
Aventus Absolute Return Fund Long Short Cat 3	5,28,60,881	-
Estee Advisors Private Limited -PMS	5,40,06,875	5,03,38,975
India Real Estate Fund	1,10,00,000	50,00,000
Total (A)	90,58,49,814	1,22,17,89,018
Less : Provision for impairment	-	-
Total	90,58,49,814	1,22,17,89,018

* Tax free bonds valued at Rs 2832 lacs as on 31 March 2019 are pledged with Kotak Bank and ICICI bank for Working Capital loan taken by Paul merchants Finance Private limited which is Wholly owned Subsidiary of the company.

Note 7: FINANCIAL ASSETS- TRADE RECEIVABLES

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
A. Trade receivables		
1. Unsecured, considered good	3,70,93,383	15,79,11,613
Total	3,70,93,383	15,79,11,613

Trade Receivable stated above include debts due by:

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
	-	-

Note 8: FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Cash and cash equivalents		
i) Cash in hand	2,79,45,672	4,82,89,405
ii) In Current Accounts	3,61,47,169	20,24,38,808
	6,40,92,841	25,07,28,213

Note 9: FINANCIAL ASSETS -OTHER BALANCES WITH BANKS

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Other Balances with Banks		
i) In Term Deposit Accounts with > 3 month and <12 months maturity	47,77,932	60,36,54,299
ii) In earmarked Term Deposit Accounts		
a. Security against borrowings	-	23,70,68,181
b. Margin money	50,71,624	51,18,241
c. Guarantees & Other Commitments	3,38,909	16,08,398
iii) In EEFC Accounts	-	1,24,716
iv) In Unclaimed dividend accounts	-	1,569
	1,01,88,465	84,75,75,404

Note 10: FINANCIAL ASSETS - SHORT TERM LOANS

Amount (In Rs.)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Loans		
Unsecured, Considered Good		
Loan to Paul Merchants Finance Pvt Ltd (Wholly Owned Subsidiary)	35,11,71,836	-
	35,11,71,836	-

Note 11: FINANCIAL ASSETS - SHORT TERM ADVANCES

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Others		
Unsecured, Considered Good		
1. Advances to Other Parties (Net)	1,48,66,228	83,66,072
2. Security Deposits	48,78,703	1,05,78,754
3. Staff Imprest	4,55,843	29,20,919
4. Claims Recoverable	8,85,386	11,98,728
Total (B)	2,10,86,160	2,30,64,473

Disclosure pursuant to Note No. VIII (iv) of Division II of Schedule III to the Companies Act, 2013

Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other person or amount due by firms or private companies respectively in which any director is a partner or a director or a member are stated below:

Amount (In Rs.)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Directors		
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is also a director	35,11,71,836	-
	35,11,71,836	-

Note 12: Current tax Assets

Amount (In Rs.)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Balances with government authorities		
a. GST Input Credit	5,17,132	75,26,653
b. Advance Tax	3,75,00,000	63,50,00,000
c. Tax Deducted at Source	1,44,12,732	94,28,795
Total	5,24,29,863	65,19,55,448

Note 13: OTHER CURRENT ASSETS

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Prepaid expenses	16,84,873	18,08,002
Total	16,84,873	18,08,002

Note 15: OTHER EQUITY

Amount (In Rs.)

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
A. Securities Premium Account		
Opening Balance	50,40,000	50,40,000
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilized	-	-
Closing Balance	50,40,000	50,40,000
B. Reserve and Surplus		
Opening Balance	3,63,28,03,955	1,50,24,51,611
(+) Profit for Current Year	15,05,13,276	2,13,08,89,806
Other Comprehensive Income (net of tax)	7,31,855	(5,37,462)
Closing Balance	3,78,40,49,087	3,63,28,03,955
Total	3,78,90,89,087	3,63,78,43,955

Note 16: NON CURRENT FINANCIAL LIABILITIES: BORROWINGS

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
SECURED		
A. Non-Current Maturities of Term Loans		
1. From Banks		
a. Car Loans from KOTAK MAHINDRA Bank (Secured by Hypothecation of Cars)	-	13,44,277
Total	-	13,44,277

Note 17: LONG TERM PROVISIONS

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Provision for employee benefits		
Gratuity - Unfunded	1,47,83,901	1,45,56,467
Total	1,47,83,901	1,45,56,467

CURRENT FINANCIAL LIABILITIES**Note 18: CURRENT FINANCIAL LIABILITIES - BORROWINGS**

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
A. SECURED		
Loans repayable on demand- From Banks		
(i) Cash Credit Facility (CC)	-	-
(ii) Over Draft Facility (OD)	-	16,98,24,883
B. Current maturities of long-term debt	13,01,535	25,81,349
Total	13,01,535	17,24,06,232

Terms and Schedule of Repayment

Rate of Interest	Rs in Lakhs	
	2019-20	2020-21
Car loan		
8.99%	1.86	-
8.88%	6.43	-
8.95%	4.73	-
Total	13.02	-

Note 19: FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Sundry Creditors	3,55,61,869	6,03,42,109
Security deposits- Rent	7,70,720	66,79,435
Total	3,63,32,589	6,70,21,544

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 20: OTHER CURRENT LIABILITIES

Amount (In Rs.)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
(a) Expenses Payable	1,92,84,911	3,14,94,244
(b) Unclaimed dividends	-	825
(c) Advance From Customer	4,84,41,853	5,75,05,243
(d) Other payables		
(i) PF Payable	9,97,865	11,98,442
(ii) ESI Payable	1,79,869	2,34,197
(iii) TDS Payable	60,61,492	32,08,948
(iv) GST Payable	41,44,934	21,00,448
Total	7,91,10,924	9,57,42,346

Note 21: SHORT TERMS PROVISIONS

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
(a) Provision for employee benefits		
Gratuity - Unfunded	4,11,169	29,76,659
Leave Encashment	27,58,705	35,65,760
Bonus	52,90,048	72,12,652
(b) Others (Specify nature)		
Provision for Taxes	2,79,13,759	65,41,83,339
Total	3,63,73,681	66,79,38,410

Note 22: REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Sale of Services		
Foreign Exchange	48,46,18,48,299	44,86,49,00,349
FX Service Charges	2,20,29,355	1,56,25,470
Sales of Air Tickets	37,56,04,955	38,46,33,303
Sales of Hotel Bookings & Packages	4,02,60,407	5,80,76,628
Total - Sale of Services	48,89,97,43,016	45,32,32,35,749
Other Operating Revenues		
Rewards & Incentives	4,21,32,540	5,87,05,347
Credit Card Encashment	55,19,600	66,19,988
Other Service charges (net of expenses directly attributable to such income)	4,22,12,056	2,73,42,192
Total - Other Operating Revenues	8,98,64,196	9,26,67,527
Total Revenue From Operations	48,98,96,07,212	45,41,59,03,277

Note 23: OTHER INCOME

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
A. Interest Income		
1. Interest on Bank Deposits	2,18,60,534	4,29,38,976
2. Other Interest	2,35,28,524	51,35,149
3. Interest on Income Tax Refund	5,012	1,27,677
B. Dividend Income	80,76,552	1,07,35,654
C. Net Gain on Sale/Fair Valuation of investments	5,35,02,378	1,34,48,699
1. Realized Gain on Sale of investments	4,78,52,078	1,00,90,584
2. Net Unrealized gain/ (loss) on financial instruments at fair value through profit or loss	56,50,300	33,58,115
D. Other non-operating income	1,74,90,892	1,54,69,108
1. Rental Income	88,78,592	24,28,172
2. Profit on sale of Fixed Assets	42,37,348	18,21,509
3. Franchisee Fees	19,492	25,542
4. Miscellaneous Income	43,55,460	1,11,93,885
Total	12,44,63,891	8,78,55,262

Note 24: Purchase of Foreign Exchange and Services

Particulars	For the Year ended 31st Mar 2019 Amount (In Rs.)	For the Year ended 31st Mar 2018 Amount (In Rs.)
Foreign Exchange	47,88,50,39,205	44,37,29,26,465
Air Tickets	35,59,15,041	36,68,79,315
Hotel Bookings & Packages	3,43,14,991	5,24,02,504
Total	48,27,52,69,237	44,79,22,08,284

Note 25: Changes in Inventories of Stock in Trade

Particulars	For the Year ended 31st Mar 2019 Amount (In Rs.)	For the Year ended 31st Mar 2018 Amount (In Rs.)
Closing Stock of Foreign Exchange	4,66,25,220	4,88,27,307
Opening Stock of Foreign Exchange	4,88,27,307	5,14,76,494
NET DECREASE/(INCREASE)	22,02,087	26,49,186

Note 26: DIRECT EXPENSES

Particulars	For the Year ended 31st Mar 2019 Amount (In Rs.)	For the Year ended 31st Mar 2018 Amount (In Rs.)
COMMISSION AND INCENTIVES	32,31,91,827	22,04,20,724
Total	32,31,91,827	22,04,20,724

Note 27: OFFICE & ADMINISTRATIVE EXPENSES

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Bad Debts and Balances Written Off	1,00,996	6,64,407
Communication Expenses	43,77,768	60,61,127
Computer Expenses	72,64,183	62,00,412
Conference Expenses	15,43,773	1,55,277
Conveyance Expenses	46,77,456	27,06,719
Generator Running Expenses	1,42,778	88,553
Insurance	18,94,050	18,27,404
Legal, Professional & Outsourcing	73,28,695	47,70,501
Loss on fixed assets sold	2,08,771	11,48,111
Payments to Auditors-		
- Statutory Audit Fees	1,50,000	1,50,000
- Tax Audit Fees	50,000	50,000
Postage & Telegram	12,88,760	11,87,280
Power and Water Expenses	62,60,466	40,58,682
Printing and stationery	20,90,428	22,81,775
Rates and taxes	18,42,652	31,02,920
Rent	2,93,15,642	3,99,77,678
Repairs and maintenance	1,52,26,750	16,83,002
Office maintenance	12,81,019	22,45,564
Security Services	12,38,890	12,71,206
Travelling Expenses	76,27,674	97,90,238
Vehicle Running & Maintenances	24,72,233	12,46,511
Portfolio Management Services	8,28,835	-
Office Expenses	1,65,698	2,50,801
Total	9,73,77,516	9,09,18,170

Note 28: EMPLOYEE BENEFIT EXPENSES		
Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Salaries & Allowances	18,74,06,459	8,68,26,951
Bonus	43,96,640	97,33,155
Leave Encashment	27,98,369	53,63,703
Contributions to:		
(i) Provident Fund	71,14,811	1,16,59,983
(ii) ESI	18,78,128	31,49,653
(iii) NPS	1,37,529	
Gratuity	32,73,089	59,18,028
Staff Recruitment Expenses	1,90,728	52,040
Staff welfare expenses	67,74,062	62,05,517
Total	21,39,69,814	12,89,09,029

Note 29: FINANCE COSTS

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Interest Expenses:		
Interest on Demand Loans	8,06,671	86,73,712
Interest on Term Loans	-	85,379
Interest on Car Loans	2,34,430	5,21,958
Other Finance Expenses:		
Bank Charges	28,60,211	34,53,086
Credit Card Charges	7,20,858	15,76,893
Total	46,22,170	1,43,11,029

Note 30: SALES PROMOTION EXPENSES

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Advertisement & Publicity	38,99,047	11,17,784
Business Promotion	1,09,00,263	65,76,522
Total	1,47,99,310	76,94,306

Note 31: CSR- CORPORATE SOCIAL RESPONSIBILITY

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Gross Amount Required to be spent by the Co. During the Year	58,40,449	58,57,295
A) Amount Spent During the year	Amount Paid	Amount Paid
Animal Welfare	67,200	36,000
Environment sustainability	-	58,113
Promoting Healthcare	12,78,503	3,35,434
Making available safe drinking water	-	1,78,000
Eradicating hunger	9,82,847	14,96,260
Employment enhancing Vocation skills	57,000	-
Promoting education	6,98,000	8,18,232
Food and Sanitation	40,227	-
Women Empowerment	-	2,49,243
Old Age Home	25,00,000	25,00,000
Administrative overheads(Prop Salary of one employee dedicated for CSR activities)	2,50,000	2,96,000
B) AMOUNT YET TO BE PAID	NIL	NIL
Total	58,73,777	59,67,282

Note 32: OTHER EXPENSES

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Donations	66,573	2,79,203
Fees & Subscriptions	12,31,797	5,91,163
Total	12,98,370	8,70,366

Note 33: DISCONTINUED OPERATIONS-

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Revenue from Discontinued Operations		
Charges Received from IMT		50,70,95,956
Rewards Incentive		1,67,71,187
Total Revenue	-	52,38,67,143
Expenses	-	49,78,91,669
Profit before tax from Discontinued Operations (1)	-	2,59,75,475
Tax on above	-	89,89,170
Business Transfer Proceeds		2,63,00,10,000
Less: Expenses related to Transfer	-	7,33,59,069
Gain on Sale of MTSS Business Segment (2)	-	2,55,66,50,931
Tax on above		58,87,26,477
Total Gain and Profit before tax from Discontinued Operations(1+2)	-	2,58,26,26,405

Note 14: SHARE CAPITAL

A. Authorised, Issued, Subscribed & Paid up Share Capital and Par Value per Share

Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	Number	Amount (In Rs.)	Number	Amount (In Rs.)
Authorised				
Equity Shares of Rs. 10 each	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Issued, Subscribed & fully Paid up				
Equity Shares of Rs. 10 each fully paid	10,28,000	1,02,80,000	10,28,000	1,02,80,000
Total	10,28,000	1,02,80,000	10,28,000	1,02,80,000

B. Reconciliation of Number of Shares Outstanding at the beginning and end of the year

Particulars	Equity Shares			
	As at 31st Mar 2019		As at 31st Mar 2018	
	Number	Amount (In Rs.)	Number	Amount (In Rs.)
Shares outstanding at the beginning of the year	10,28,000	1,02,80,000	10,28,000	1,02,80,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,28,000	1,02,80,000	10,28,000	1,02,80,000

C. Rights, Preferences and Restrictions attaching to various classes of Shares

Class of Shares	Rights, Preferences and Restrictions attaching to various classes of Shares
Equity Shares	No Special Rights, Preferences & Restrictions Attached

D. Shares in the company held by each shareholder holding more than 5% shares

Name of Shareholder (Mr./Mrs.)	Equity Shares			
	As at 31st Mar 2019		As at 31st Mar 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sat Paul Bansal	2,01,100	19.56	2,01,100	19.56
Sarita Rani Bansal	1,44,500	14.06	1,44,500	14.06
Rajneesh Bansal	1,49,746	14.57	1,49,746	14.57
Sandeep Bansal	1,44,507	14.06	1,44,507	14.06
Paul Excursions Pvt. Ltd.	1,02,355	9.96	1,02,355	9.96

Note 34. MANAGERIAL REMUNERATION

During the year the company paid an amount of Rs. 583.31 Lacs (Previous Year Rs. 256.59 Lacs) to Whole Time Directors as remuneration the details of which are given as below:

Name of Director	Designation	Amount (In Rs. Lacs)
Mr. Sat Paul Bansal	Managing Director	504.00
Mr. Rajneesh Bansal	Executive Director	70.86
Mr. Dharam Pal Sharma	Whole Time Director	8.45
Total		583.31

Computation of Net Profit in accordance with Section 198 of the Companies Act, 2013:

Particulars	For the Year ended	For the Year ended
	31st Mar 2019	31st Mar 2018
	Rs. In Lacs	Rs. In Lacs
Profit Before Tax & Exceptional Items	1,428.76	2,324.83
Add: Managerial Remuneration	583.31	256.59
Add: Loss (Profit) on Sale of Fixed Assets	-40.29	-6.73
Net Profit for the Year	1,971.79	2,574.69

The Remuneration of Managing Director and Executive Director had been approved by the Shareholders of the Company by way of Special Resolution passed through the process of Postal Ballot dated 17-11-2018, wherein the Shareholders approved payment of the above remuneration, irrespective of the amount of profits of the Company. Vide the said Special Resolution, the shareholders had further approved that the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013.

Note 35. CONTINGENT LIABILITY NOT PROVIDED FOR

Particulars	As at 31 March 2019	As at 31 March 2018
	(Rs. In Lacs)	(Rs. In Lacs)
Claims against company not acknowledged as Debt	145.64	149.58
Bank Guarantees	110.36	95.13
Service Tax Demand Notice pending Departmental Appeal with High Court (excl. Interest)	335.42	335.42
Corporate Guarantee in Respect of JV in Malaysia	1,386.44	1,296.60
Corporate Guarantee in Respect of OD Limits taken by Paul Merchants Finance Private Limited Company	4,000.00	-
Total	5,977.86	1,876.73

Note 36. Earnings per Share

Particulars	As at 31 March 2019	As at 31 March 2018
	Amount (In Rs.)	Amount (In Rs.)
Earnings per Share- Continuing Operations		
Net Profit for the Year (Rs.)	15,05,13,276	14,59,79,048
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	146.41	142.00
Earnings per Share - Discontinued Operations		
Net Profit for the Year (Rs.)	-	1,98,49,10,758
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	-	1,930.85
Earnings per Share - Continuing and Discontinued Operations		
Net Profit for the Year (Rs.)	15,05,13,276	2,13,08,89,806
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	146.41	2,072.85

Note 37. Joint Venture Details

The company has a Joint Venture (JV) with Weizmann Forex Ltd. having 19.424% (Previous Year 19.424%) stake in a Company in Malaysia. The stake was acquired by direct acquisition of shares of M/s Horizon Remit SDN BHD (formally M/s Prabhu Remit SDN BHD). The Other Details pursuant to Financial Reporting of Interests in Joint Ventures are as follows:

(Rs. In Lacs)		
Particulars	As at 31 March 2019	As at 31 March 2018
Interest in JV (%)	19.42%	19.42%
Value of Capitalized Investment in JV	304.72	304.72
Proportional Interest in		
- Assets	188.64	144.81
- Liabilities	151.33	116.74
Share of Income from JV	9.01	8.37
Expenditure Incurred	-	-

Note 38. Employee Benefits

Disclosure on employee benefits with regard to defined benefit plans, as per *IND AS 19- Employee Benefits* is as below:

Particulars of Defined Benefit Plan- Gratuity	As at 31 March 2019 Amount (In Rs.)	As at 31 March 2018 Amount (In Rs.)
Assumptions		
Discount rate	7.76% per annum	7.83% per annum
Rate of increase in Compensation levels	5.50% per annum	5,50% per annum
Rate of Return on Plan Assets Not Applicable Not Applicable	NA	NA
Change in Present Value of Obligations		
Opening of defined benefit obligations	1,75,33,126	2,45,41,703
Acquisition Adjustments (Transfer Out)		-54,91,737
Service cost	19,00,245	38,09,158
Interest Cost	13,72,844	18,45,536
Benefit Paid	-44,86,183	-79,93,442
Actuarial (Gain)/Loss on total liabilities	-11,24,962	8,21,908
- due to change in financial assumptions	1,24,493	-5,93,464
- due to change in demographic assumptions	-	-
- due to experience variance	-12,49,455	14,15,372
Closing of defined benefit obligation/liability	1,51,95,070	1,75,33,126
The amount to be recognized in Statement of Assets and Liabilities		
Present Value of Obligations	1,51,95,070	1,75,33,126
Fair value of plan assets	-	-
Net defined liability/(asset) recognized in balance sheet	1,51,95,070	1,75,33,126
Expense recognized in Statement of profit and loss		
Service cost	19,00,245	38,09,158
Interest Cost	13,72,844	18,45,536
Expense recognized in Statement of profit and loss	32,73,089	56,54,694
Other Comprehensive Income		
Actuarial (Gain)/Loss on total liabilities	-11,24,962	8,21,908

Note 39. Related Party Disclosures

(Disclosure as per Ind AS 24)

A. List of Related Parties

Name of Related Party	Relationship
Sat Paul Bansal	Chairman cum Managing Director
Sandeep Bansal	Director
Rajneesh Bansal	Executive Director
Dharam Pal Sharma	Whole Time Director
Sarita Rani Bansal	Non-Executive Director
Nita Bansal	Relative of Key Management Personnel
Tilak Raj Khepar	Key Management Personnel- CFO (Till 14 Aug 2018)
Bhupinder Kaur	Key Management Personnel- CFO (w.e.f. 07 Feb 2019)
Hardam Singh	Key Management Personnel- CS
Paul Merchants Finance Private Limited	Subsidiary Company
PML Realtors Private Ltd	Subsidiary Company
Horizon Remit SDN BHD, Malaysia	Joint Venture Company
EBIX Money Express Private Limited	Private Company in which One Director was also a Director during the year
Paul and Singla Realtors LLP	LLP in which PML Realtors Pvt Ltd wholly owned subsidiary is designated Partner
Paul Spaces LLP	LLP in which three Directors of the company are also Partners
Paul E-commerce Pvt Ltd	Private company in which Two directors also Directors and shareholders and relative of director is also Director and Shareholder

A. Related Party Transactions in Ordinary Course of Business

(Rs. In Lacs)

Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Subsidiary	Related Party	Total
Managerial Remuneration	583.31	-	-	-	583.31
Salary paid	44.75	-	-	-	44.75
Rent Paid for Premises	20.07	-	8.09	-	28.15
Rent Received	-	-	25.29	50.33	75.61
Service Charges Recd (net)	-	-	10.29	-	10.29
Commission Received	-	-	-	134.74	134.74
Unsecured Loan to Paul Merchants Finance Private Limited	-	-	3,990.00	-	3,990.00
Repayment of Loan by Paul merchants Finance Private Limited	-	-	500.00	-	500.00
Interest earned on Loan	-	-	28.25	-	28.25
Sale of Shares held in Ebix Money Express Pvt Ltd	-	-	-	3,420.00	3,420.00
Investment in Paul Merchants Finance Private Limited	1,861.90	-	6,700.23	-	8,562.13
Investment in PML Realtors Pvt Ltd	-	-	1,530.00	-	1,530.00
Security Deposit received	-	-	-	3.83	3.83
Security Deposit adjusted against Rent	-	-	-	0.83	0.83

There are no transactions with related parties, which are not in ordinary course of business or not at arm's length.

B. Related Party Balance as on 31 March 2019

Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Subsidiary	Related Party	Total
Outstanding Unsecured Loan to Paul merchants Finance Private Limited	-	-	3,511.72	-	3,511.72

Note 40. Deferred Tax

(As per IND AS 12 Income taxes)

Deferred Tax Assets on Account of Timing Differences	As at 01.04.2018	Arising During the Year	As at 31.03.2019
Depreciation	-32,06,563	3,32,79,685	3,00,73,122
Provision for Gratuity	60,67,865	-7,58,100	53,09,765
Provision for Bonus	24,96,155	-6,47,600	18,48,555
Unrealized Gain on Investments	-	-19,74,441	-19,74,441
Net Deferred Tax Asset	53,57,457	2,98,99,544	3,52,57,001

Note 41. Segment Reporting

As per IND AS-108 on Segment Reporting, segment Information is provided below:

(Amount Rs in Lacs)

Sr. No	PARTICULARS	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
1	Segment Revenue		
(a)	Forex	4,85,221	4,49,285
(b)	International Money Transfer (Discontinued)	-	5,239
(c)	Travel	4,240	4,533
(d)	Others	435	277
	Total	4,89,896	4,59,334
	Less: Inter Segment Revenue		
(a)	Forex	-	-15
(b)	International Money Transfer (Discontinued)	-	-6
(c)	Travel	-	28
(d)	Others	-	-7.03
	Net sales/Income From Operations	4,89,896	4,59,334
2	Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#		
(a)	Forex	866	1,221
(c)	Travel	141	197
(d)	Others	413	270
	Total	1420	1688
	Less:		
i)	Interest	46	143
ii)	Other Un-allocable Expenditure net off	1,189	422
iii)	Un-allocable income	1,245	942
	Total Profit Before Tax	1,429	2,065
	Segment - International Money Transfer (Discontinued)		260
	Total Profit Before Tax (Continuing and Discontinued Operations)	1,429	2,325
3	Segment Assets		
(a)	Segment - Forex	5,366	8,665
(b)	Segment-International Money Transfer (Discontinued)	-	-
(c)	Segment - Travel	276	337
(d)	Segment - Others	-	12,218
(e)	Unallocated Assets	34,031	25,451
	Total	39,673	46,671
4	Segment Liabilities		
(a)	Segment - Forex	1,196	2,095
(b)	Segment-International Money Transfer (Discontinued)	-	-
(c)	Segment - Travel	135	140
(d)	Segment - Others	-	1,413
(e)	Unallocated Liabilities	348	6,542
	Total	1,679	10,190
5	Capital Employed		
(a)	Forex	4,170	6,571
(b)	International Money Transfer (Discontinued)	-	0
(c)	Travel	141	197
(d)	Others	-	10,805
(e)	Unallocated Assets	34,031	25,451
(f)	Unallocated Liabilities	348	6,542
	Total	37,994	36,481

Note 42. Discontinued Operations

During the last financial year, the Company sold its MTSS Business in India to You First Money Express Private Limited (YMEPL) on slump sale basis. The Closing date for the said transaction was 31.10.2017. After that the Company was carrying on the said business as Pure Agent for and on behalf of YMEPL as per a Cooperation Agreement entered with them.

Note 43. Other Notes

- a As per information available with the company, there are no outstanding dues owed to Small Scale undertakings as on 31.03.2019.
- b Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.
- c During the current year, the company has not received any money from directors.
- d Additional information pursuant to Schedule III part I & II of the Companies Act, 2013 other than stated above is either NIL or Not Applicable.
- e The previous Year figures including EPS have been regrouped/re-classified/re-stated wherever necessary to conform with the current presentation.
- f Notes 1-43 form integral part of Accounts for the year ending 31st March 2019.

PLACE: CHANDIGARH
DATED: 14.05.2019

AUDITOR'S REPORT:
As per our Separate Report of the Even Date

For & on Behalf of Board of Directors

SAT PAUL BANSAL
Chairman cum
Managing Director
DIN-00077499
H. No. 749,
Sec 8, Chandigarh

RAJNEESH BANSAL
Executive Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN – 01361N)

HARDAM SINGH
Company Secretary
FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

BHUPINDER KAUR
Chief Financial Officer
FCA-508485
H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

CA. NEERAJ JAIN,
Partner
(M. No. 089477)

Independent Auditor's Report

**To the Members of
PAUL MERCHANTS LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **PAUL MERCHANTS LIMITED** ("The Company"), its subsidiaries and joint Venture (the Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors are responsible for the preparation of the Consolidated financial statements in terms of the requirements of the provisions of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid..

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on consolidated financial statements so far as it pertains to Company and its subsidiaries. Further, The financial statements of Joint

venture of the company are unaudited and have been furnished to us by the Management according to information and explanations given to us by management, these financial statements are not material to the Group.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and its consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date..

Other matters

The consolidated financial statements also include Group's share of Net Profit of Rs. 9.01 lacs for the year ended on 31st march 2019, as considered in consolidated financial statements, in respect of Malaysian JV, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on consolidated financial statements, in so far as it relates to amount and disclosures included in respect of Said Malaysian JV, and our report in terms of sub sections (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid Joint Venture is based solely on such unaudited financial statements/ financial information.

In our opinion and according to information and explanations given to us by management, these financial statements are not material to the Group.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report, to the extent applicable 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 purpose of our audit of the aforesaid consolidated financial statements.;
 - b. In our opinion proper books of account as required by law for preparation of aforesaid Consolidated Financial Statements have been kept by the Company and its subsidiaries so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Consolidated 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 of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 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**".

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- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
JAIN & ASSOCIATES
Chartered Accountants
FRN: 01361N

CA. Neeraj Jain
Partner
Membership number: 089477

Place: Chandigarh
Date: 14th May 2019

“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of Paul Merchants 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 Paul Merchants Limited (“the Company”) and its Subsidiaries (Paul merchants Finance Private Limited and PML Realtors Private Limited) as of March 31, 2019 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company, its subsidiaries and Joint Venture Company are 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

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 consolidated 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 consolidated 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 consolidated 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 and its Indian Subsidiaries have, 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 March 31, 2019, based on the internal control over financial reporting criteria established by the respective Companies 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 and on behalf of
JAIN & ASSOCIATES
Chartered Accountants
FRN: 01361N

Place: Chandigarh

Date: 14th May 2019

CA. Neeraj Jain
Partner
Membership number: 089477

PAUL MERCHANTS LTD
CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2019

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	As on 31.03.2019	As on 31.03.2018
ASSETS			
(1) Non-Current Assets			
a) Property, Plant and Equipment	1	75,67,89,221	75,69,99,717
b) Capital Work in Progress		-	3,54,000
c) Financial Assets			
i) Investments	2	72,98,569	63,97,089
d) Deferred Tax Assets (Net)	3	3,57,06,389	65,01,367
e) Other Non-Current Assets	4	18,38,19,458	9,28,03,954
(2) Current Assets			
a) Inventories	5	4,66,90,380	4,88,92,467
b) Financial Assets			
i) Current Investments	6	97,99,69,029	1,22,17,89,018
ii) Trade Receivables	7	3,70,93,383	15,79,11,613
iii) Cash and Bank Balance	8	11,85,48,203	29,75,45,013
iv) Bank Balance other than iii above	9	1,06,51,879	87,94,84,889
v) Loans	10	1,76,75,55,952	57,02,85,105
vi) Others	11	2,38,53,324	2,92,55,744
c) Current Tax Assets	12	8,11,70,907	65,54,64,455
d) Other Current Assets	13	49,33,974	34,17,307
TOTAL		4,05,40,80,668	4,72,71,01,738
EQUITY AND LIABILITIES			
EQUITY			
Shri Laxmi Ji		1	1
a) Equity Capital	14	1,02,80,000	1,02,80,000
b) Other Equity	15	3,66,37,48,120	3,63,20,90,935
LIABILITIES			
(1) Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	-	13,44,277
b) Provisions	17	1,63,93,929	1,51,90,393
(2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	18	16,84,40,575	21,52,63,375
ii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises;		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	19	4,06,19,018	8,12,52,300
b) Other Current Liabilities	20	8,47,15,739	9,86,47,966
c) Provisions	21	6,98,83,286	67,30,32,491
TOTAL		4,05,40,80,668	4,72,71,01,738

The accompanying accounting policies and notes form an integral part of the consolidated financial statements.

PLACE: CHANDIGARH

DATED: 14.05.2019

For & on Behalf of Board of Directors

SAT PAUL BANSAL
Chairman cum Managing Director
DIN-00077499
H. No. 749,
Sec 8, Chandigarh

HARDAM SINGH
Company Secretary
FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

RAJNEESH BANSAL
Executive Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

BHUPINDER KAUR
Chief Financial Officer
FCA-508485
H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN – 01361N)

CA. NEERAJ JAIN
Partner
(M. No. 089477)

PAUL MERCHANTS LTD
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MAR 2019

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	CURRENT YEAR 31.03.2019	PREVIOUS YEAR 31.03.2018
I. REVENUE			
Revenue from Operations	22	49,16,94,43,043	45,46,55,22,378
Other Income	23	12,94,75,040	9,09,83,497
III Total Income (I+II)		49,29,89,18,083	45,55,65,05,874
IV. EXPENSES			
Purchase of Foreign Exchange and Services	24	48,27,52,69,237	44,79,22,08,284
Changes in Inventories of Stock in Trade	25	22,02,087	26,49,186
Direct Expenses	26	32,31,91,827	22,04,20,724
Office & Administrative Expenses	27	13,43,20,657	11,30,47,950
Employee Benefit Expenses	28	25,37,00,128	14,55,76,296
Finance Costs	29	1,18,54,540	2,01,05,963
Sales Promotion Expenses	30	1,66,46,557	82,84,215
Corporate Social Responsibility Expenses	31	58,73,777	59,67,282
Other Expenses	32	12,98,370	8,70,366
Depreciation	1	3,49,48,370	3,50,73,082
TOTAL EXPENSES IV		49,05,93,05,550	45,34,42,03,348
V. PROFIT BEFORE EXCEPTIONAL ITEMS & TAX (III - IV)		23,96,12,533	21,23,02,526
VI. EXCEPTIONAL ITEMS		-	-
VII. PROFIT BEFORE TAX (V - VI)		23,96,12,533	21,23,02,526
VIII. TAX EXPENSE			
(1) Current Tax		5,41,81,631	5,85,29,604
(2) Prior Period Tax		-52,58,039	-
(2) Deferred Tax	42	-2,92,05,021	36,25,983
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII - VIII)		21,98,93,962	15,01,46,939
X Profit/Loss from Discontinued Operations	33	-	2,58,26,26,405
XI Tax Expense of Discontinued Operations		-	59,77,15,647
Prior Period Tax		-	-
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X-XI)		-	1,98,49,10,758
Share of Profit (Loss) of associates and joint ventures accounted for using equity method		9,01,480.00	8,37,009
XIII PROFIT/(LOSS) FOR THE PERIOD (IX+XII)		22,07,95,442	2,13,58,94,706
XIV OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined benefit obligations		1,82,367	-8,21,908
(ii) Income tax relating to items that will not be reclassified to profit or loss		-1,30,877	2,84,446
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV)		22,08,46,932	2,13,53,57,244
Profit or loss, attributable to:			
Owners of the Company		22,07,95,442	2,13,46,01,621
Non-controlling interests		-	12,93,085
Total Comprehensive income for the period attributable			
Owners of the Company		22,08,46,932	2,13,40,64,159
Non-controlling interests		-	12,93,085
XVI EARNING PER EQUITY SHARE (FOR CONTINUING OPERATION)	36		
1) BASIC		214.78	146.87
2) DILUTED		214.78	146.87
XVII EARNING PER EQUITY SHARE (FOR DISCONTINUED OPERATION)	36		
1) BASIC		-	1,930.85
2) DILUTED		-	1,930.85
XVIII EARNING PER EQUITY SHARE (FOR CONTINUING & DISCONTINUED OPERATION)	36		
1) BASIC		214.78	2,077.72
2) DILUTED		214.78	2,077.72

The accompanying accounting policies and notes form an integral part of the consolidated financial statements.

PLACE: CHANDIGARH
DATED: 14.05.2019

For & on Behalf of Board of Directors

AUDITOR'S REPORT:
As per our Separate Report of the Even Date

SAT PAUL BANSAL
Chairman cum Managing Director
DIN-00077499
H. No. 749,
Sec 8, Chandigarh

RAJNEESH BANSAL
Executive Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN - 01361N)

HARDAM SINGH
Company Secretary
FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

BHUPINDER KAUR
Chief Financial Officer
FCA-508485
H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

CA. NEERAJ JAIN
Partner
(M. No. 089477)

PAUL MERCHANTS LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CIN-L74900DL1984PLC018679

A Equity Share Capital

Changes in equity share capital for the year ended

Particulars	31st March, 2019	31st March, 2018
	Amount (Rs)	Amount (Rs)
Balance at the beginning of the reporting period	1,02,80,000	1,02,80,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	1,02,80,000	1,02,80,000

B Other Equity

Changes in other equity for the year ended 31st March, 2019

Particulars	Reserves and Surplus			NCI	Total
	Security premium Account	Other Statutory reserve	Retained Earnings		
Balance as on 01.04.2018	30,18,04,032	21,26,863	3,19,97,64,404	12,83,95,637	3,63,20,90,935
Net Profit / Loss for the year			22,07,95,442		22,07,95,442
OCI -Remeasurement of net defined benefit plans			51,490		51,490
Security Premium Issued	37,37,08,282				37,37,08,282
Transfer to Statutory Reserves		1,31,61,559	(1,31,61,559)		-
Loss on acquisition of stake in Subsidiary			(52,17,56,290)		(52,17,56,290)
Non Controlling Interest Acquired	8,39,95,568	6,01,984	26,56,345	(12,83,95,637)	(4,11,41,740)
Balance as on 31.03.2019	75,95,07,882	1,58,90,406	2,88,83,49,832	-	3,66,37,48,120

Changes in other equity for the year ended 31st March, 2018

Particulars	Reserves and Surplus			Non Controlling Interest	Total
	Security premium Account	Other Statutory reserve	Retained Earnings		
Balance as on 01.04.2017	50,40,000		1,47,75,39,565		1,48,25,79,565
Opening Balance Pertaining to PFL	57,00,000	15,03,193	74,05,437		1,46,08,630
Net Profit / Loss for the year			2,13,58,94,706		2,13,58,94,706
OCI -Remeasurement of net defined benefit plans			(5,37,462)		(5,37,462)
Security Premium Issued	37,50,59,600				37,50,59,600
Transfer to Statutory Reserves		12,25,653	(12,25,653)		-
Adjustment in Reserves for Goodwill generated on Consolidation			(41,66,55,844)		(41,66,55,844)
Non Controlling Interest	(8,39,95,568)	(6,01,984)	(26,56,345)	12,83,95,637	4,11,41,740
Balance as on 31.03.2018	30,18,04,032	21,26,863	3,19,97,64,404	12,83,95,637	3,63,20,90,935

PLACE: CHANDIGARH

DATED: 14.05.2019

For & on Behalf of Board of Directors

SAT PAUL BANSAL
Chairman cum Managing Director
DIN-00077499
H. No. 749,
Sec 8, Chandigarh

RAJNEESH BANSAL
Executive Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

HARDAM SINGH
Company Secretary
FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

BHUPINDER KAUR
Chief Financial Officer
FCA-508485
H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN – 01361N)

CA. NEERAJ JAIN
Partner
(M. No. 089477)

PAUL MERCHANTS LTD
CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH, 2019

CIN-L74900DL1984PLC018679

Amount (in Rs.)

PARTICULARS	CURRENT YEAR 31.03.2019	PREVIOUS YEAR 31.03.2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	23,97,94,900	2,79,49,44,033
Adjustment for:		
Depreciation	3,49,48,370	3,50,73,082
Profit/Loss on Sale of Fixed Assets/Investments	(40,28,577)	(6,73,398)
Gain on Sale of MTSS business	-	(2,63,00,10,000)
Gain on Sale of Investments	(4,98,87,748)	(1,00,90,584)
Finance Cost	1,18,54,540	2,01,05,963
Short Term Provisions	(60,31,49,205)	54,26,63,562
Long Term Provisions	12,03,536	(82,27,461)
Rental Income	(96,69,252)	(32,53,772)
Interest Income	(4,42,10,279)	(4,86,23,569)
Dividend Received	(1,01,34,523)	(1,07,35,654)
Other Adjustments	6,39,726	1,39,73,770
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	(43,26,38,511)	69,51,45,972
Adjustment for :		
Net changes in operating Assets & Liabilities		
Decrease/(Increase) in Inventory	22,02,087	26,49,185
Increase in Current Investments	29,17,07,737	(1,12,75,05,032)
Decrease in Trade receivable	12,08,18,230	18,83,26,804
Increase in Other Bank Balance	86,88,33,010	(58,33,32,558)
Increase in Current Tax Assets	57,42,93,548	(45,46,38,059)
Increase in Short Term Loans & Advances	(1,19,18,68,426)	(55,80,90,007)
Decrease in other Current Assets	(15,16,666)	4,62,380
Decrease in Trade Payables	(4,06,33,282)	(18,52,03,684)
Decrease in Other Current Liabilities	(1,39,32,227)	(8,29,39,670)
CASH FROM/(USED IN) OPERATIONS	17,72,65,499	(2,10,51,24,670)
Income Taxes Paid	(4,87,92,716)	(65,59,60,806)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	12,84,72,783	(2,76,10,85,476)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	6,45,24,552	2,64,88,84,325
Purchase of Fixed Assets	(9,48,79,850)	(29,63,51,050)
Increase of Non Current Investments	(9,01,480)	(8,37,009)
Increase in Other Non Current Assets	(9,10,15,504)	(59,82,831)
Decrease in Other Long Term Liabilities	-	(32,41,500)
Acquisition of stake in Subsidiary	(18,91,89,748)	-
Rental Income	96,69,252	32,53,772
Interest Income	4,42,10,279	4,86,23,569
Dividend Income	1,01,34,523	1,07,35,654
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(24,74,47,976)	2,40,50,84,929
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings (Net of Repayments)		
Long Term Borrowings	(13,44,277)	(26,33,585)
Short Term Borrowings	(4,68,22,800)	4,12,53,336
Finance Cost	(1,18,54,540)	(2,01,05,963)
NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	(6,00,21,617)	1,85,13,788
Net Change in Cash & Cash Equivalents (A+B+C)	(17,89,96,810)	(33,74,86,759)
Cash and Cash equivalent at the beginning of the year	29,75,45,013	63,50,31,772
Cash and Cash equivalents at the end of the year	11,85,48,203	29,75,45,013

Place : Chandigarh.
Dated : 14.05.2019

For & on behalf of Board of Directors

(HARDAM SINGH)
Company Secretary
FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

(BHUPINDER KAUR)
Chief Financial Officer
FCA-508485
H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

(RAJNEESH BANSAL)
Executive Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

(SAT PAUL BANSAL)
Managing Director
DIN-00077230
H. No. 749
Sec 8, Chandigarh

AUDITOR'S CERTIFICATE

We have examined the Cash Flow Statement of Paul Merchants Limited for the year ended 31st March 2019. The Statement has been prepared by the Company in accordance with the requirements of Regulation 34(2c) of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 and is based on and in agreement with the corresponding Statement of Profit and Loss account and Balance Sheet of the Company covered by our report to the members of the Company

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN - 01361N)

Place: Chandigarh
Dated: 14.05.2019

CA. NEERAJ JAIN
Partner
(M. No. 089477)

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and relevant amendment rules issued thereafter. The financial statements comply in all material aspects with said Indian Accounting Standards.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

B. Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

C. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

D. Basis of Consolidation

The investment in Malaysian Joint Venture is accounted for using Equity Method. Investment in subsidiary companies (PML Realtors Private Limited and Paul Merchants Finance Private Limited) is accounted for using pooling of interest method as the same are subject to common control before and after such investments in accordance with IND AS.

E. Property, Plant and Equipment (PPE)

The items of Property Plant & equipment are measured at Cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation (if any), less accumulated depreciation and impairment loss, if any. All costs, including financing costs, attributable to the fixed assets are capitalized.

The Company had opted to measure all its property, plant and equipment and intangible assets at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition to IND AS.

F. Depreciation

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) in the manner prescribed in Schedule II to the Companies Act, 2013 over their remaining useful life on pro-rata basis.

G. Impairment of 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 Account 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.

H Foreign Currency Transactions

- 1 Purchases and sales of foreign currencies and traveller's cheques are accounted at the contracted rates. Other transactions in foreign currencies are initially recognised at the rate at which the transaction is entered into. On settlement of such transactions the profit/loss arising from exchange differences is recognised in the Statement of profit and loss. Receipts of foreign exchange in money transfer are accounted on the prevalent bank conversion rate or forward contract rate as the case may be and the profit / loss arising from exchange differences is recognised in the Statement of profit and loss
- 2 Similarly all other Foreign Currency transactions have also been recorded at exchange rate prevailing on the date of the transaction.
- 3 Foreign Currency Fixed Deposits, Balances in Foreign Currency Bank Accounts and other Foreign Currency receivables or payables are valued at year end rates and gains/losses due to exchange rate differences have been adjusted in Profit & Loss Account

I Investments

Company has opted to measure its investments in subsidiaries, joint ventures and associates at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. The Company accounts for all its investments at Fair value through profit or loss except for Investments in Subsidiary, Joint Venture and Associates.

J Inventories

Stock of Foreign Currency/TC and Stock of Shares held for trading purposes has been valued at cost.

K Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value in accordance with IND AS - 7. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

L Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of Foreign Exchange and Services. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

M Employee Benefits

The entity makes contributions to statutory provident funds in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948. Provident Fund and ESI are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the fund.

Gratuity Liability as on 31st March 2018 has been provided for on basis of actuarial valuation basis Projected unit credit method in accordance with IND AS-19.

Leave encashment which are short term compensated absences are charged to profit and loss account of the year in which it is due.

N Borrowing Costs

As per IND AS 23 Borrowing costs that are attributable to the acquisition or construction of qualifying assets (if any) are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

O Forex Hedging Transactions

In respect of Forex hedging transactions, gains / losses on settlement and losses on restatement are recognized in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

P Provision for Current and Deferred Tax

Current income tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

Q Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

R Classification of Current / Non Current Assets

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to The Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has assumed its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAR 2019

Note 1: PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Gross Block (Amount in Rupees)				Accumulated Depreciation (Amount in Rupees)				Net Block (Amount in Rupees)	
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31st Mar 2019	Balance as at 1 April 2018	Depreciation charge for the year	On disposals	Balance as at 31st Mar 2019	Balance as at 31st March 2018	Balance as at 31st Mar 2019
Land	44,58,11,839	4,57,23,759	5,04,94,141	44,10,41,457	-	-	-	-	44,58,11,839	44,10,41,457
Buildings	30,11,00,054	1,47,41,786	76,05,659	30,82,36,181	4,55,94,581	1,28,09,118	1,91,527	5,82,12,172	25,55,05,473	25,00,24,009
Computers & Desktop	3,31,88,990	17,42,957	13,59,047	3,35,72,900	2,92,03,341	21,84,196	12,73,221	3,01,14,317	39,85,649	34,58,583
Servers & Networks	1,13,00,740	4,50,000	39,01,677	78,49,063	93,69,972	7,30,721	34,70,718	66,29,975	19,30,768	12,19,088
Furniture and Fittings	3,72,55,529	76,68,551	22,30,907	4,26,93,173	2,61,67,747	34,54,673	19,46,116	2,76,76,303	1,10,87,782	1,50,16,870
Motor Cars	5,41,84,002	1,80,91,848	35,36,521	6,87,39,329	2,91,80,022	1,06,35,765	22,51,111	3,75,64,676	2,50,03,980	3,11,74,653
Motor Cycles	84,140	63,277	-	1,47,417	70,885	10,813	-	81,698	13,255	65,720
Office Equipments	1,17,45,792	18,82,279	3,90,416	1,32,37,654	95,84,150	14,70,580	3,51,255	1,07,03,475	21,61,642	25,34,179
Electrical Installations & Equipments	1,65,92,689	5,15,142	5,23,896	1,65,83,935	1,20,24,273	12,79,901	4,16,341	1,28,87,832	45,68,417	36,96,103
Plant & Machinery	55,22,047	40,00,252	-	95,22,299	10,25,997	11,78,082	-	22,04,079	44,96,051	73,18,220
Leasehold Improvements	37,29,942	-	-	37,29,942	12,95,080	11,94,521	-	24,89,601	24,34,862	12,40,341
Construction Work in Progress	3,54,000	-	3,54,000	-	-	-	-	-	3,54,000	-
Total Current Year	92,08,69,763	9,48,79,850	7,03,96,264	94,53,53,349	16,35,16,047	3,49,48,370	99,00,288	18,85,64,128	75,73,53,717	75,67,89,221
Total Previous Year	67,98,72,409	29,63,51,050	5,53,53,696	92,08,69,763	16,55,95,734	3,50,73,082	3,71,52,769	16,35,16,047	51,42,76,675	75,73,53,717

Note 2: FINANCIAL ASSETS - NON CURRENT INVESTMENTS

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Investments (unquoted, fully paid up, at cost)		
Investments in Joint Venture		
19.42% JV Investment (Previous Year 19.42%) in Horizon Remit SDN BHD, Malaysia	72,98,569	63,97,089
Total	72,98,569	63,97,089

Note 3: DEFFERED TAX ASSETS

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Opening Balances	65,01,368	1,01,27,350
Add/Less: Deferred Tax Assets created/(written back) during the year	2,92,05,021	-36,25,983
Total	3,57,06,389	65,01,367

Note 4: OTHER NON CURRENT ASSETS

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Advance against Properties	18,38,19,458	9,28,03,954
Total	18,38,19,458	9,28,03,954

Note 5: INVENTORIES

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Stock of Foreign Currency at Cost	4,66,25,220	4,88,27,307
Stock Of Shares at Cost	65,160	65,160
Total	4,66,90,380	4,88,92,467

Note 6: FINANCIAL ASSETS -CURRENT INVESTMENTS

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Investments measured at Fair Value Through Profit & Loss		
Investment in Mutual Funds		
DSP Black Rock Income opportunity Fund	-	13,63,51,918
Aditya Birla Sun Life Corporate Bond Fund	1,25,695	1,18,947
ABSL Cash Manager Fund	-	2,45,65,607
Aditya Birla Sun Life Equity Savings Fund Direct		39,80,734
Aditya Birla Sun life Pure Value Fund	12,04,602	13,87,641
Birla Sun Life Floating Rate Fund Short Term Plan	-	5,01,45,756
Ambit Alpha Fund Scheme	-	1,01,29,338
Avendus Enhanced Return Fund Class A1	5,40,65,873	3,08,29,487
Avendus Absolute Return Fund Long Short Cat 3 AIF	5,28,60,881	-
ASK Equity PMS	25,06,459	-
Axis Focused 25 Fund Direct Plan Growth	3,81,502	70,08,290
Axis Liquid Fund	2,20,88,300	-
HDFC Liquid Fund Direct Plan Growth	6,32,972	-
HDFC Equity Savings Fund Direct Plan Growth	-	74,34,667
HDFC Capital Builder Fund- Growth	13,98,295	3,75,132
HDFC MID-Cap Opportunities Fund - Growth	1,90,968	1,87,935
HDFC Liquid Fund	-	9,16,967
HDFC Small Cap Fund Direct Plan Growth	4,15,235	-
ICICI Prudential Arbitrage Fund Monthly Dividend	-	2,54,70,341
ICICI Prudential Liquid Direct Plan Growth	-	4,51,24,474
ICICI Prudential Regular Savings Fund - Growth	-	5,08,84,551
L&T India Value Fund-Regular Plan -Growth	4,75,171	2,76,031
L&T Liquid Fund Direct Plan Growth	6,93,224	-
L&T Income Opportunities Fund - Regular Plan	-	5,09,59,827
L&T Liquid Fund	5,59,912	7,12,914
L&T India Value Fund Direct Plan Growth	3,50,022	
Reliance Arbitrage Advantage Fund Monthly Dividend	-	5,27,81,086
IDFC Ultra Short Term Fund	-	6,11,134
IDFC Sterling Equity Fund -Regular Plan-Growth	-	3,63,454
IDFC Fixed Term Plan Series 149 Direct Plan	3,23,34,300	-
IDFC Sterling Equity Fund Regular Plan Growth 2089	9,46,779	-
Kotak Standard Multicap Fund Direct Plan Growth	4,18,377	-
Mirae Asset Cash Management Fund	6,12,853	-
Mirae Asset India Equity Fund Direct Plan	4,35,596	-
UTI Arbitrage Fund Direct Plan Dividend Reinvestment	5,06,76,711	-
Kotak Mutual Fund - Folio No. 5342956/91	3,14,52,699	
ICICI Prudential Equity Arbitrage Fund Folio 12835782	3,19,61,925	
SBI Arbitrage Fund Folio 21714227	1,01,43,489	
HDFC Liquid Fund Direct Plan Growth	4,35,903	

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Investments in Tax Free Bonds -Quoted at FVTPL- Pledged *		
7.03 % Housing and Urban Development Corporation Limited	1,22,84,640	1,24,36,918
8.56 % Housing and Urban Development Corporation Limited	2,52,29,134	2,57,89,330
8.48% India Infrastructure Finance Company Limited	5,97,39,203	6,10,49,453
8.54% Power Finance Corporation Limited	5,92,40,500	6,05,72,465
Rural Electrification Corporation Limited	2,26,99,208	2,31,94,689
7.22% Rural Electrification Corporation Limited	1,36,63,520	1,38,43,973
7.55% Indian Railway Finance corporation	2,12,39,096	-
8.20% NHAI 2022	2,17,35,600	-
8.20% Power Finance Corporation Ltd	1,51,61,426	-
7.62% HUDCO 11 Nov 21	2,11,22,023	-
6.70% IRFC 8 March 2020	53,22,211	-
8.23% IRFC 18 Feb 24	57,58,911	-
Investments in Listed Non convertible Debentures -Quoted at FVTPL		
Zero Coupon Nabard Bonds	-	6,54,86,105
IIFL Wealth Finance Limited -8.25 MLD	6,85,43,400	1,05,41,963
Kotak Mahindra Prime Limited 8.70% MLD	4,25,80,000	-
Aditya Birla Finance Limited MLD NCD	3,06,72,000	-
HDB Financial Services Limited MLD	3,03,21,000	-
IIFL Wealth Finance Limited -9.25 MLD	1,09,94,100	-
Muthoot Finance Limited 9.5% MLD	10,50,000	-
Tata Capital Financial Services Ltd MLD	2,02,40,000	-
Tata Capital Financial Services Ltd MLD ASK	3,02,49,000	-
Investments in Bonds and debentures -Unquoted at FVTPL		
Rural Electrification Corporation Limited -Capital Gain Bonds	52,02,089	50,56,815
Investments in Preference Shares- Quoted at FVTPL		
7.50% Vedanta Limited	-	4,80,30,239
6% Zee Entertainment Enterprises Limited	1,66,91,640	2,25,31,863
Investments in Equity- Unquoted at FVTPL		
EBIX Money Express Private Limited- 15,77,778 shares having Face Value of Rs	-	31,73,00,000
Investments in Structured Entity - Unquoted at FVTPL		
Estee Advisors Private Limited -PMS	5,40,06,875	5,03,38,975
India Real Estate Fund	1,10,00,000	50,00,000
Investments in Partnership Firm - Unquoted at FVTPL		
Investment in Paul Singla and Realtors LLP	1,25,200	-
Total (A)	97,99,69,029	1,22,17,89,018
Less : Provision for diminution in the value of Investments	-	-
Total	97,99,69,029	1,22,17,89,018

* Tax free bonds valued at Rs 2832 lacs as on 31 March 2019 are pledged with Kotak Bank and ICICI bank for Working Capital loan taken by Paul merchants Finance Private limited which is Wholly owned Subsidiary of the company.

Note 7: FINANCIAL ASSETS- TRADE RECEIVABLES

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
A. Trade receivables Unsecured, considered good	3,70,93,383	15,79,11,613
Total	3,70,93,383	15,79,11,613

Note 8 FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Cash and cash equivalents		
i) Cash in hand	3,37,22,891	5,42,78,609
ii) In Current Accounts	8,48,25,312	24,32,66,404
Total	11,85,48,203	29,75,45,013

Note 9 FINANCIAL ASSETS -OTHER BALANCES WITH BANK

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Other Balances with Banks		
i) In Term Deposit Accounts with > 3 month and <12 months maturity	52,41,345	63,55,63,784
ii) In earmarked Term Deposit Accounts		
a. Security against borrowings	-	23,70,68,181
b. Margin money	50,71,624	51,18,241
c. Guarantees & Other Commitments	3,38,909	16,08,398
iii) In EEFC Accounts	-	1,24,716
iv) In Unclaimed dividend accounts	-	1568.75
Total	1,06,51,879	87,94,84,889

Note 10: FINANCIAL ASSETS - SHORT TERM LOANS

Amount (In Rs.)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Loans		
Secured, Considered Good- Gold Loan	1,53,34,19,358	38,25,35,105
Unsecured, Considered Good- Other Loans	23,41,36,594	18,77,50,000
Total	1,76,75,55,952	57,02,85,105

Note 11: FINANCIAL ASSETS - SHORT TERM ADVANCES

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Advances & others, Unsecured considered good		
1. Advances to Other Parties (Net)	1,48,66,228	1,34,86,343
2. Security Deposits	76,45,867	1,15,89,754
3. Staff Imprest/Advances to employees	4,55,843	29,80,919
4. Claims Recoverable	8,85,386	11,98,728
Total	2,38,53,324	2,92,55,744

Note 12: Current tax Assets

Amount (In Rs.)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Balances with government authorities		
a. GST Input Credit	20,02,982	79,25,077
b. Advance Tax	6,20,00,000	63,78,00,000
c. Tax Deducted at Source	1,71,67,925	97,39,378
Total	8,11,70,907	65,54,64,455

Note 13: OTHER CURRENT ASSETS

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Prepaid expenses	49,33,974	34,17,307
Total	49,33,974	34,17,307

Note 15: OTHER EQUITY

Amount (In Rs.)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
A. Securities Premium Account		
Opening Balance	38,57,99,600	1,07,40,000
Add : Securities premium credited on Share issue	37,37,08,282	37,50,59,600
Total	75,95,07,882	38,57,99,600
Less : Non Controlling Interest	-	8,39,95,568
Closing Balance	75,95,07,882	30,18,04,032
B. Statutory Reserve		
Opening Balance	27,28,847	15,03,193
(+) Current Year Transfer	1,31,61,559	12,25,653
Total	1,58,90,406	27,28,847
Less : Non Controlling Interest	-	6,01,984
	1,58,90,406	21,26,863
B. Reserve and Surplus		
Opening Balance	3,61,90,76,592	1,48,49,45,002
(+) Profit for Current Year	22,07,95,442	2,13,58,94,706
Other Comprehensive Income (net of tax)	51,490	(5,37,462)
Less: Transferred to Statutory Reserves	(1,31,61,559)	(12,25,653)
Less: Loss/change in reserve on acquisition of NCI	(52,17,56,290)	-
	3,30,50,05,675	3,61,90,76,592
Less : Non Controlling Interest	-	(26,56,345)
	3,30,50,05,675	3,61,64,20,248
Less: Goodwill adjusted with reserves	(41,66,55,844)	(41,66,55,844)
Closing Balance	2,88,83,49,831	3,19,97,64,404
Other Equity Attributable to Owners	3,66,37,48,120	3,50,36,95,298
Non Controlling Interest (Equity)	-	4,11,41,740
Non Controlling Interest (Sec Premium)	-	8,39,95,568
Non Controlling Interest (Statutory Reserve)	-	6,01,984
Non Controlling Interest (Gen Reserves)	-	16,33,639
Non Controlling Interest (Current Year Profit)	-	10,22,706
Total Non Controlling Interest		12,83,95,637
Total Other Equity	3,66,37,48,120	3,63,20,90,935

Note 16: NON CURRENT FINANCIAL LIABILITIES: BORROWINGS

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
SECURED		
Non-Current Maturities of Term Loans		
a. Car Loans from KOTAK MAHINDRA Bank (Secured by Hypothecation of Cars)	-	13,44,277
Total	-	13,44,277

Note 17: LONG TERM PROVISIONS

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Provision for employee benefits		
Gratuity - Unfunded	1,63,93,929	1,51,90,393
Total	1,63,93,929	1,51,90,393

CURRENT FINANCIAL LIABILITIES**Note 18: CURRENT FINANCIAL LIABILITIES - BORROWINGS**

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
A. SECURED		
a) Loans repayable on demand- From Banks Over Draft Facility (OD) Secured by Tax free Bonds and Corporate guarantee of Paul Merchants Limited	15,90,39,040	16,98,24,883
b. Current maturities of long-term debt Car Loans from KOTAK MAHINDRA (Secured by Hypothecation of Cars)	13,01,535	4,54,38,492
B. UNSECURED		
Loans and advances from related parties	81,00,000	-
Total	16,84,40,575	21,52,63,375

Terms and Schedule of Repayment of Long term Debt

Rs in Lakhs

Rate of Interest	2019-20	2020-21
Car loan		
8.99%	1.86	-
8.88%	6.43	-
8.95%	4.73	-
Total	13.02	-

Note 19: FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at 31st Mar 2019 Amount (In Rs.)	As at 31st Mar 2018 Amount (In Rs.)
Sundry Creditors -Other than micro enterprises and small enterprises.	4,06,19,018	8,12,52,300
Total	4,06,19,018	8,12,52,300

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 20: OTHER CURRENT LIABILITIES

Amount (In Rs.)

Particulars	Amount (In Rs.)	
	As at 31st Mar 2019	As at 31st Mar 2018
(a) Expenses Payable	2,44,84,019	3,40,51,439
(b) Interest accrued and due on borrowings	1,50,932	3,48,425
(c) Unclaimed dividends	-	825
(d) Advance From Customer	4,84,41,853	5,75,05,243
(e) Other payables		
(i) PF Payable	9,97,865	11,98,442
(ii) ESI Payable	1,79,870	2,34,197
(iii) TDS Payable	63,16,266	32,08,948
(iv) GST Payable	41,44,934	21,00,448
Total	8,47,15,739	9,86,47,966

Note 21: SHORT TERMS PROVISIONS

Particulars	Amount (In Rs.)	
	As at 31st Mar 2019	As at 31st Mar 2018
(a) Provision for employee benefits		
Gratuity - Unfunded	4,61,304	29,76,659
Leave Encashment	32,66,466	38,17,162
Bonus	62,66,318	76,90,989
(b) Others		
Provision for Taxes	5,43,12,508	65,67,73,732
Provision for NPA	17,20,296	7,96,088
Contingent Provision Against Standard Assets	38,56,394	9,77,861
Total	6,98,83,286	67,30,32,491

Note 22: REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Sale of Services		
Foreign Exchange	48,46,18,48,299	44,86,49,00,349
Service Charges	2,20,29,355	1,56,25,470
Sales of Air Tickets	37,56,04,955	38,46,33,303
Sales of Hotel Bookings & Packages	4,02,60,407	5,80,76,628
Interest Income	17,43,57,778	4,18,20,759
Income from Domestic Money Transfer Service	54,78,053	77,98,342
Total - Sale of Services	49,07,95,78,847	45,37,28,54,850
Other Operating Revenues		
Rewards & Incentives	4,21,32,540	5,87,05,347
Credit Card Encashment	55,19,600	66,19,988
Other Service charges	4,22,12,056	2,73,42,192
Total - Other Operating Revenues	8,98,64,196	9,26,67,527
Total Revenue From Operations	49,16,94,43,043	45,46,55,22,378

Note 23: OTHER INCOME

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
A. Interest Income		
1. Interest on Bank Deposits	2,23,07,235	4,34,88,420
2. Other Interest	2,19,03,044	51,35,149
3. Interest on Income Tax Refund	5,012	1,27,677
B. Dividend Income	1,01,34,523	1,07,35,654
C. Net Gain on Sale/Fair Valuation of investments	5,56,44,301	1,34,48,699
1. Realized Gain on Sale of investments	4,98,87,748	1,00,90,584
2. Net Unrealized gain/ (loss) on financial instruments at fair value through profit or loss	57,56,553	33,58,115
D. Other non-operating income (net of expenses directly attributable to such income)	1,94,80,925	1,80,47,899
1. Rental Income	96,69,252	32,53,772
2. Profit on sale of Fixed Assets	42,37,348	18,21,509
3. Franchisee Fees	19,492	25,542
4. Miscellaneous Income	55,54,833	1,29,47,076
Total	12,94,75,040	9,09,83,497

Note 24: Purchase of Foreign Exchange and Services

Particulars	For the Year ended 31st Mar 2019 Amount (In Rs.)	For the Year ended 31st Mar 2018 Amount (In Rs.)
Foreign Exchange	47,88,50,39,205	44,37,29,26,465
Air Tickets	35,59,15,041	36,68,79,315
Hotel Bookings & Packages	3,43,14,991	5,24,02,504
Total	48,27,52,69,237	44,79,22,08,284

Note 25: Changes in Inventories of Stock in Trade

Particulars	For the Year ended 31st Mar 2019 Amount (In Rs.)	For the Year ended 31st Mar 2018 Amount (In Rs.)
Closing Stock of Foreign Exchange	4,66,25,220	4,88,27,307
Opening Stock of Foreign Exchange	4,88,27,307	5,14,76,494
NET DECREASE/(INCREASE)	22,02,087	26,49,186

Note 26: DIRECT EXPENSES

Particulars	For the Year ended 31st Mar 2019 Amount (In Rs.)	For the Year ended 31st Mar 2018 Amount (In Rs.)
Commission	32,31,91,827	22,04,20,724
Total	32,31,91,827	22,04,20,724

Note 27: OFFICE & ADMINISTRATIVE EXPENSES

Particulars	For the Year ended 31st Mar 2019 Amount (In Rs.)	For the Year ended 31st Mar 2018 Amount (In Rs.)
Bad Debts and Balances Written Off	1,00,996	6,64,407
Communication Expenses	43,77,768	60,61,127
Computer Expenses	89,44,471	75,35,986
Conference Expenses	15,43,773	2,48,451
Conveyance Expenses	46,77,972	27,06,719
Generator Running Expenses	1,42,778	88,553
Insurance	29,59,361	23,61,404
Legal, Professional & Outsourcing	81,32,977	75,53,461
Loss on fixed assets sold	2,08,771	11,48,111
Payments to Auditors-		
- Statutory Audit Fees	2,17,700	1,74,500
- Tax Audit Fees	65,000	65,000
Postage & Telegram	12,88,760	11,87,280
Power and Water Expenses	73,41,628	40,58,682
Printing and stationery	31,90,127	27,82,942
Rates and taxes	34,98,673	83,05,485
Rent	4,08,61,542	4,39,24,947
Repairs and maintenance	1,79,01,681	28,19,067
Office maintenance	12,81,019	22,45,564
Security Services	91,74,013	52,96,660
Travelling Expenses	1,09,65,385	1,11,11,847
Vehicle Running & Maintenances	24,72,233	12,46,511
Portfolio Management Services	8,28,835	-
Preliminary Expense	1,76,756	1,76,756
Contingent Provision on Standard Assets	28,78,533	5,85,426
Provision on NPA	9,24,208	3,40,323
Office Expenses	1,65,698	3,58,740
Total	13,43,20,657	11,30,47,950

Note 28: EMPLOYEE BENEFIT EXPENSES		
Particulars	For the Year ended 31st Mar 2019 Amount (In Rs.)	For the Year ended 31st Mar 2018 Amount (In Rs.)
Salaries & Allowances	22,09,48,214	10,13,54,790
Bonus	54,46,469	1,02,07,895
Leave Encashment	33,38,070	56,34,390
Contributions to:		
(i) Provident Fund	84,12,382	1,22,36,350
(ii) ESI	23,59,523	33,91,172
(iii) NPS	1,37,529	
Gratuity	37,21,738	61,27,969
Staff Recruitment Expenses	1,90,728	52,040
Staff welfare expenses	91,45,476	65,71,691
Total	25,37,00,128	14,55,76,296

Note 29: FINANCE COSTS

Particulars	For the Year ended 31st Mar 2019 Amount (In Rs.)	For the Year ended 31st Mar 2018 Amount (In Rs.)
Interest Expenses:		
Interest on Demand Loans	66,03,929	1,31,19,601
Interest on Term Loans	-	85,379
Interest on Car Loans	2,34,430	5,21,958
Other Finance Expenses:		
Bank Charges	42,95,322	48,02,131
Credit Card Charges	7,20,858	15,76,893
Total	1,18,54,540	2,01,05,963

Note 30: SALES PROMOTION EXPENSES

Particulars	For the Year ended 31st Mar 2019 Amount (In Rs.)	For the Year ended 31st Mar 2018 Amount (In Rs.)
Advertisement & Publicity	57,46,294	17,07,693
Business Promotion	1,09,00,263	65,76,522
Total	1,66,46,557	82,84,215

Note 31: CSR- CORPORATE SOCIAL RESPONSIBILITY

Particulars	For the Year ended 31st Mar 2019 Amount (In Rs.)	For the Year ended 31st Mar 2018 Amount (In Rs.)
Gross Amount Required to be spent during the Year	58,40,449	59,52,381
Gross Rounded off Amount Required to be spent during the Year	58,50,000	59,53,000
A) Amount Spent During the year	Amount Paid	Amount Paid
Animal Welfare	67,200	36,000
Environment sustainability		58,113
Promoting Healthcare	-	11,41,288
Making available safe drinking water		1,78,000
Eradicating hunger	40,227	9,54,424
Employment enhancing Vocation skills	57,000	-
Promoting education	6,98,000	5,54,214
Sports Development	12,78,503	-
Women Empowerment	9,82,847	2,49,243
Old Age Home	25,00,000	25,00,000
Administrative overheads(Prop Salary of one employee dedicated for CSR activities)	2,50,000	2,96,000
B) AMOUNT YET TO BE PAID	NIL	NIL
Total	58,73,777	59,67,282

Note 32: OTHER EXPENSES

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Donations	66,573	2,79,203
Fees & Subscriptions	12,31,797	5,91,163
Total	12,98,370	8,70,366

Note 33: DISCONTINUED OPERATIONS-

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
	Amount (In Rs.)	Amount (In Rs.)
Revenue from Discontinued Operations		
Charges Received from IMT		50,70,95,956
Rewards Incentive		1,67,71,187
Total Revenue	-	52,38,67,143
Expenses	-	49,78,91,669
Profit before tax from Discontinued Operations (1)	-	2,59,75,475
Tax on above	-	89,89,170
Business Transfer Proceeds		2,63,00,10,000
Less: Expenses related to Transfer	-	7,33,59,069
Gain on Sale of MTSS Business Segment (2)	-	2,55,66,50,931
Tax on above		58,87,26,477
Total Gain and Profit before tax from Discontinued Operations(1+2)	-	2,58,26,26,405

Note 14: EQUITY CAPITAL

A. Authorised, Issued, Subscribed & Paid up Share Capital and Par Value per Share

Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	Number	Amount (In Rs.)	Number	Amount (In Rs.)
Authorised Equity Shares of Rs. 10 each	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Issued, Subscribed & fully Paid up Equity Shares of Rs. 10 each fully paid	10,28,000	1,02,80,000	10,28,000	1,02,80,000
Total	10,28,000	1,02,80,000	10,28,000	1,02,80,000

B. Reconciliation of Number of Shares Outstanding at the beginning and end of the year

Particulars	Equity Shares			
	As at 31st Mar 2019		As at 31st Mar 2018	
	Number	Amount (In Rs.)	Number	Amount (In Rs.)
Shares outstanding at the beginning of the year	10,28,000	1,02,80,000	10,28,000	1,02,80,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,28,000	1,02,80,000	10,28,000	1,02,80,000

C. Rights, Preferences and Restrictions attaching to various classes of Shares

Class of Shares	Rights, Preferences and Restrictions attaching to various classes of Shares
Equity Shares	No Special Rights, Preferences & Restrictions Attached

D. There are no shares in the preceding 5 years allotted as fully paid up without payment being received in cash/ bonus shares /right shares.

E. There are no shares reserved under options and contracts /commitments for the sales of shares or disinvestment.

F. Shares in the company held by each shareholder holding more than 5% shares

Name of Shareholder (Mr./Mrs.)	Equity Shares			
	As at 31st Mar 2019		As at 31st Mar 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sat Paul Bansal	2,01,100	19.56	2,01,100	19.56
Sarita Rani Bansal	1,44,500	14.06	1,44,500	14.06
Rajneesh Bansal	1,49,746	14.57	1,49,746	14.57
Sandeep Bansal	1,44,507	14.06	1,44,507	14.06
Paul Excursions Pvt. Ltd.	1,02,355	9.96	1,02,355	9.96

Note 34. MANAGERIAL REMUNERATION

During the year the company paid an amount of Rs. 583.31 Lacs (Previous Yr Rs. 256.59 Lacs) to Whole Time Directors as remuneration the details of which are given as below:

Name of Director	Designation	Amount (In Rs. Lacs)
Mr. Sat Paul Bansal	Managing Director	504.00
Mr. Rajneesh Bansal	Executive Director	70.86
Mr. Dharam Pal Sharma	Whole Time Director	8.45
Total		583.31

Note 35. CONTINGENT LIABILITY NOT PROVIDED FOR

Particulars	As at 31 March 2019 (Rs. In Lacs)	As at 31 March 2018 (Rs. In Lacs)
Claims against company not acknowledged as Debt	145.64	149.58
Bank Guarantees	110.36	95.13
Service Tax Demand Notice pending Departmental Appeal with High Court (excl. Interest)	335.42	335.42
Corporate Guarantee in Respect of JV in Malaysia	1,386.44	1,296.60
Corporate Guarantee in Respect of Loan taken by Paul Merchants Finance Private Limited Company	4,000.00	-
Total	5,977.86	1,876.73

Note 36. Earnings per Share

Particulars	As at 31 March 2019 Amount (In Rs.)	As at 31 March 2018 Amount (In Rs.)
Earnings per Share- Continuing Operations		
Net Profit for the Year (Rs.)	22,07,95,442	15,09,83,948
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	214.78	146.87
Earnings per Share - Discontinued Operations		
Net Profit for the Year (Rs.)	-	1,98,49,10,758
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	-	1,930.85
Earnings per Share - Continuing and Discontinued Operations		
Net Profit for the Year (Rs.)	22,07,95,442	2,13,58,94,706
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	214.78	2,077.72

Note 37. Employee Benefits

(As per IND AS 19 issued by ICAI)

Particulars of Defined Contribution Plan	As at 31 March 2019 Amount (In Rs.)	As at 31 March 2018 Amount (In Rs.)
Contribution to Provident Fund & ESI during the financial year	1,09,09,434	1,56,27,522

Note 38. Joint Venture Details

The company has a Joint Venture (JV) with Weizmann Forex Ltd. having 19.424% (Previous Year 19.424%) stake in a Company in Malaysia. The stake was acquired by direct acquisition of shares of M/s Horizon Remit SDN BHD (formally M/s Prabhu Remit SDN BHD). The Other Details pursuant to Financial Reporting of Interests in Joint Ventures are as follows:

Particulars	(Rs. In Lacs)	
	As at 31 March 2019	As at 31 March 2018
Interest in JV (%)	19.42%	19.42%
Value of Capitalized Investment in JV	304.72	304.72
Proportional Interest in		
- Assets	188.64	144.81
- Liabilities	151.33	116.74
Share of Income from JV	9.01	8.37
Expenditure Incurred	-	-

Note 39. Related Party Disclosures as per Ind AS 24

A. List of Related Parties

Name of Related Party	Relationship
Sat Paul Bansal	Chairman cum Managing Director
Sandeep Bansal	Director
Rajneesh Bansal	Executive Director
Dharam Pal Sharma	Whole Time Director
Sarita Rani Bansal	Non-Executive Director
Nita Bansal	Relative of Key Management Personnel
Tilak Raj Khepar	Key Management Personnel- CFO (Till 14 Aug 2018)
Bhupinder Kaur	Key Management Personnel- CFO (w.e.f. 07 Feb 2019)
Hardam Singh	Key Management Personnel- CS
Paul Merchants Finance Private Limited	Subsidiary Company
PML Realtors Private Limited	Subsidiary Company
Horizon Remit SDN BHD, Malaysia	Joint Venture Company
EBIX Money Express Private Limited	Private Company in which One Director was also a Director during the year
Paul and Singla Realtors LLP	LLP in which PML Realtors Pvt Ltd wholly owned subsidiary is designated Partner
Paul Spaces LLP	LLP in which three Directors of the company are also Partners
Paul E-commerce Private Limited	Private company in which two directors are also directors and shareholders and relative of director is also Director and Shareholder

A. Related Party Transactions in Ordinary Course of Business

(Rs. In Lacs)

Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Subsidiary	Related Party	Total
Managerial Remuneration	583.31	-	-	-	583.31
Salary paid	44.75	-	-	-	44.75
Rent Paid for Premises	20.07	-	8.09	-	28.15
Rent Received	-	-	25.29	50.33	75.61
Service Charges Earned (Net)	-	-	10.29	-	10.29
Commission Received	-	-	-	134.74	134.74
Unsecured Loan to Paul Merchants Finance Private Limited	-	-	3,990.00	-	3,990.00
Repayment of Loan by Paul Merchants Finance Private Limited	-	-	500.00	-	500.00
Interest earned on Loan	-	-	28.25	-	28.25
Sale of Shares held in EBIX Money Express Private Limited	-	-	-	3,420.00	3,420.00
Investment in Paul Merchants Finance Private Limited	1,861.90	-	6,700.23	-	8,562.13
Investment in PML Realtors Private Limited	-	-	1,530.00	-	1,530.00
Security Deposit received	-	-	-	3.83	3.83
Security Deposit adjusted against Rent	-	-	-	0.83	0.83

There are no transactions with related parties, which are not in ordinary course of business or not at arm's length.

B. Related Party Balance as on 31 March 2019

Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Subsidiary	Related Party	Total
Outstanding Unsecured Loan to - Paul Merchants Finance Private Limited	-	-	3,511.72	-	3,511.72

Note 40. Segment Reporting

As per IND AS-108 on Segment Reporting, segment Information is provided below:

(Amount Rs in Lacs)

Sr. No	PARTICULARS	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
1	Segment Revenue		
(a)	Forex	4,85,221	4,49,285
(b)	International Money Transfer (Discontinued)	-	5,239
(c)	Travel	4,240	4,533
(d)	Others	2,233	807
	Total	4,91,694	4,59,864
	Less: Inter Segment Revenue		
(a)	Forex	-	-15
(b)	International Money Transfer (Discontinued)	-	-6
(c)	Travel	-	28
(d)	Others	-	-7.03
	Net sales/Income From Operations	4,91,694	4,59,864
2	Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#		
(a)	Forex	866	1,221
(c)	Travel	141	197
(d)	Others	2,208	386
	Total	3214	1803
	Less:		
i)	Interest	119	201
ii)	Other Un-allocable Expenditure net off	1,994	422
iii)	Un-allocable income	1,295	942
	Total Profit Before Tax	2,396	2,123
	Segment - International Money Transfer (Discontinued)		260
	Total Profit Before Tax (Continuing and Discontinued Operations)	2,396	2,383
3	Segment Assets		
(a)	Segment - Forex	5,366	8,665
(b)	Segment-International Money Transfer (Discontinued)	-	-
(c)	Segment - Travel	276	337
(d)	Segment - Others	17,444	12,227
(e)	Unallocated Assets	17,455	26,041
	Total	40,541	47,271
4	Segment Liabilities		
(a)	Segment - Forex	1,196	2,095
(b)	Segment-International Money Transfer (Discontinued)	-	-
(c)	Segment - Travel	135	140
(d)	Segment - Others	-	1,414
(e)	Unallocated Liabilities	2,470	7,199
	Total	3,801	10,847
5	Capital Employed		
(a)	Forex	4,170	6,571
(b)	International Money Transfer (Discontinued)	-	0
(c)	Travel	141	197
(d)	Others	17,444	10,814
(e)	Unallocated Assets	17,455	26,041
(f)	Unallocated Liabilities	2,470	7,199
	Total	36,740	36,424

Others Segment include Revenue/income of Subsidiary companies consolidated here.

Note 41. Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements

Name of the Company	Amount (Rs in Lacs)							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in comprehensive income		Share in Total comprehensive Income	
	as %age of consolidated net assets	Amount (Rs in Lacs)	as %age of consolidated profit or loss	Amount (Rs in Lacs)	as %age of consolidated other comprehensive income	Amount	as %age of consolidated total comprehensive income	Amount (Rs in Lacs)
Paul Merchant Limited	70.95%	37,993.69	68.17%	1,505.13	1421%	7.32	68.48%	1,512.45
Subsidiary Companies:		-		-				
Paul Fincap Private Limited	24.36%	13,043.90	30.05%	663.50	-1321.35%	-6.80	29.74%	656.70
PML Realtors Private Limited	4.69%	2,510.70	1.37%	30.30	-	-	1.37%	30.30
Joint Venture (Investment as per Equity Method):								
M/s Horizon Remit BHD. SDN. , Malaysia	-	-	0.41%	9.01	-	-	0.41%	9.01
Sub Total	100.00%	53,548.29	100%	2,207.95	100%	0.51	100%	2,208.47
Adjustments arising out of consolidation		-16,808.01						
TOTAL		36,740.28		2,207.95		0.51		2,208.47

Note 42. Deferred Tax*(As per IND AS 12 Income taxes)*

Deferred Tax Assets on Account of Timing Differences	As at 01.04.2018	Arising During the Year	As at 31.03.2019
Depreciation	-32,88,504	3,35,64,388	3,02,75,884
Provision for Gratuity	62,31,100	-9,00,912	53,30,188
Provision for Leave Encashment	25,59,976	-25,59,976	-
Provision for Bonus	1,22,156	19,80,228	21,02,384
Carried Forward loss	8,76,638	-8,76,638	-
Unrealized Gain on Investments	-	-20,02,067	-20,02,067
Net Deferred Tax Asset	65,01,366	2,92,05,023	3,57,06,389

Note 43. Discontinued Operations

During the year 2017-18, the Company sold its MTSS Business in India to You First Money Express Private Limited (YMEPL) on slump sale basis. The Closing date for the said transaction was 31.10.2017. After that the Company was carrying on the said business as Pure Agent for and on behalf of YMEPL as per a Cooperation Agreement entered with them.

Note 44. Other Notes

- On 10th May 2019, the Board of Directors of Paul Merchants Finance Private Limited had recommended a dividend of 1.6 % i.e. Rs 0.16 per Equity share of Rs 10 each aggregating to Rs 49.62 lacs and dividend distribution tax thereon is Rs. 10.50 lacs for the financial year 2018-19.
- As per information available with the company, there are no outstanding dues owed to Small Scale undertakings as on 31.03.2019.
- Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.
- Additional information pursuant to Schedule III part I & II of the Companies Act, 2013 other than stated above is either NIL or Not Applicable.
- The previous Year figures have been regrouped/re-classified/re-stated wherever necessary to conform with the current presentation.
- Notes 1 to 44 form integral part of Accounts for the year ending 31st March 2019.

PLACE: CHANDIGARH**DATED: 14.05.2019****AUDITOR'S REPORT:****As per our Separate Report of the Even Date****For & on Behalf of Board of Directors****SAT PAUL BANSAL****Chairman cum
Managing Director**

DIN-00077499

H. No. 749,

Sec 8, Chandigarh

RAJNEESH BANSAL**Executive Director****DIN-00077230**

H. No. 749,

Sec 8, Chandigarh

For Jain & Associates**CHARTERED ACCOUNTANTS****(FRN – 01361N)****HARDAM SINGH****Company Secretary**

FCS-5046

H. No. 12D, Angel Appt.

Zirakpur

BHUPINDER KAUR**Chief Financial Officer**

FCA-508485

H. No. 5, ASTHA ENCLAVE-2

Sec. 127, MOHALI

CA. NEERAJ JAIN,**Partner****(M. No. 089477)**

Route Map and Land Marks near the Venue of the 35th Annual General Meeting:-



AGM Venue:-

Forever Banquet, 20, Paschim Vihar Extn., Pillar No. 193, Opp. Ordinance Depot, New Delhi–110063.



PAUL MERCHANTS LTD.[®]