

**34th ANNUAL REPORT
FOR THE YEAR ENDED
31st MARCH, 2018**



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
MR. RAJNEESH BANSAL
MR. SANDEEP BANSAL
MRS. SARITA RANI BANSAL
MR. DHARAM PAL SHARMA
MR. VIGYAN ARORA
MR. DILBAG SINGH SIDHU
MR. AJAY KUMAR ARORA
MR. ARJUN PANDURANG GHUGAL
MR. KRISHAN LALL KHETARPAUL*
MR. UMA SHANKAR PALIWAL

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

*(resigned w.e.f. 11.05.2018)

WHOLLY OWNED SUBSIDIARY

PML Realtors (P) Ltd

Stock Exchange – BSE Ltd

STATUTORY AUDITORS

M/S. JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
SCO 819-820, SECTOR 22-A,
CHANDIGARH -160022

INTERNAL AUDITOR

CA Rajesh Garg

SECRETARIAL AUDITOR

ANIL NEGI

CHIEF FINANCIAL OFFICER

MR. TILAK RAJ KHEPAR

COMPANY SECRETARY

MR. HARDAM SINGH

PRINCIPAL BANKERS

HDFC BANK
STATE BANK OF INDIA
ICICI
PUNJAB NATIONAL BANK
AXIS BANK
UNION BANK OF INDIA
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 2017-18 – AT A GLANCE

MONEY EXCHANGE ACTIVITIES (FOREX)

Gross Turnover – Rs. 4488.35 Crores

TOURS & TRAVELS ACTIVITIES

Gross Turnover – Rs. 44.27 Crores

OVERALL PERFORMANCE

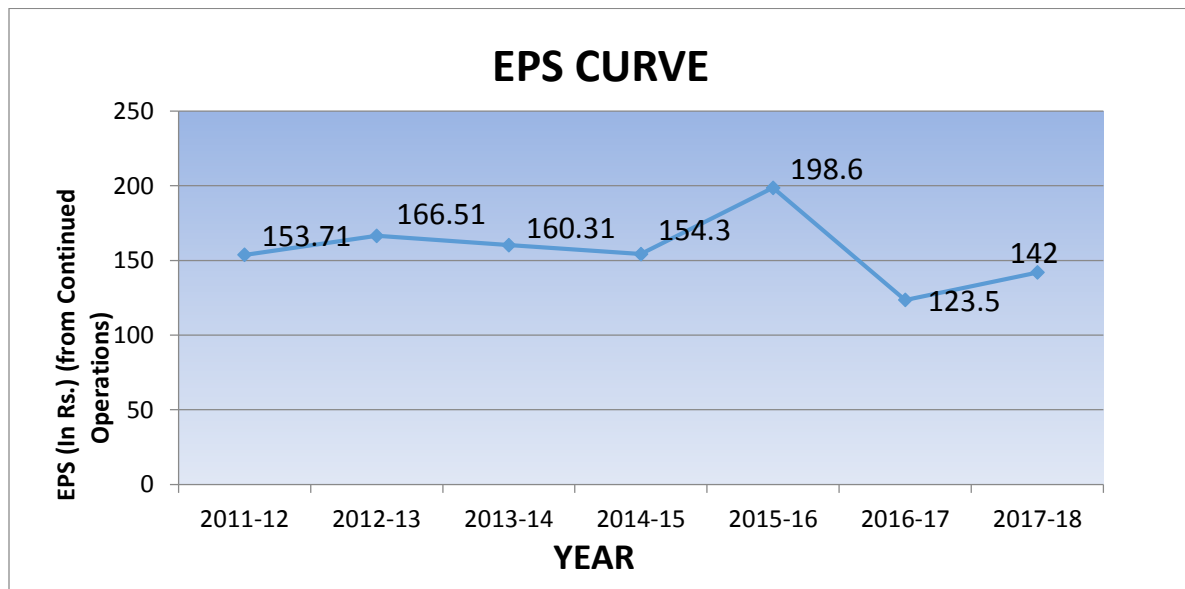
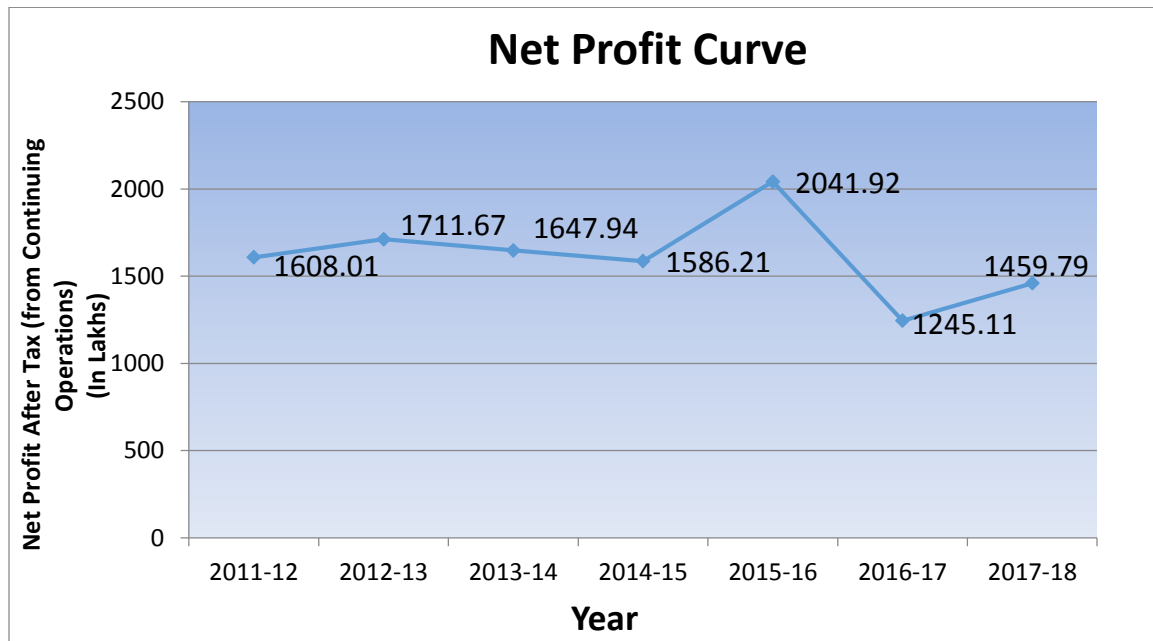
Gross Revenues – 4539.15 Crores

PROFITABILITY

Net Profit Before Tax – Rs. 20.65 Crores (Continued Operations)

Net Profit After Tax – Rs. 14.60 Crores (Continued Operations)

Net Profit After Tax – Rs 213.08 Crores (Including Profit from discontinued operations)



LIST OF BRANCH OFFICES OF THE COMPANY

SR NO.	REGION	STATE	ADDRESS
1	NORTH	CHANDIGARH	SCO NO. 829-830, SECTOR 22-A, CHANDIGARH
2	NORTH	HIMACHAL PRADESH	BIR TIBETAN COLONY, TEH. BAIJNATH, DISTT. KANGRA (HP)
3	NORTH	HIMACHAL PRADESH	VPO BHAGSUNAG, TEHSIL DHARAMSHALA, DISTRICT KANGRA
4	NORTH	HIMACHAL PRADESH	SHOP NO.2, NEAR LOVELY SWEET SHOP, NANGAL ROAD, UNA (HP) - 174303
5	NORTH	HIMACHAL PRADESH	SHOP NO.1A, GROUND FLOOR, ASIAN PLAZA, OPPOSITE MAIN BUS STAND CHOWK, MCLEODGANJ, DHARAMSHALA
6	NORTH	HIMACHAL PRADESH	SHOP NO.5, RAMBAGH, MANALI (H.P.)
7	NORTH	HIMACHAL PRADESH	SHOP. NO.1, 1ST FLOOR, HOTEL SURYA ROAD, DOLMA CHOWK, DHARAMSHALA
8	NORTH	HIMACHAL PRADESH	SHOP AT BHOJPUR, ABUTTING TO NH-21, MANDI ROAD, SUNDERNAGAR (HP)
9	NORTH	HIMACHAL PRADESH	VILLAGE AND POST KASOL, TEHSIL-BHUNTAR, DISTT.- KULLU (HP)
10	NORTH	HIMACHAL PRADESH	SHOP NO.2, LIBRARY NEAR TIBETAN COLONY, MEDICAL CENTRE, DHARAMSHALA, DISTRICT KANGRA - 176215
11	NORTH	HARYANA	OPPOSITE BUS STAND, NEAR CHHABRA SWEETS, AMBALA ROAD, PEHOWA (HR - 136128)
12	NORTH	HARYANA	6351/14, 1 ST FLOOR, NICHOLSON ROAD, PUNJABI MOHALLA, AMBALA CANTT. 133 001
13	NORTH	HARYANA	SHOP NO.B-119, SUPER MART-I, DLF CITY, PHASE IV, GURGAON-122001
14	NORTH	HARYANA	DSS NO.207, SECTOR 12, PART 1, OPP MUTHOOT FINANCE, KARNAL
15	NORTH	HARYANA	SCO NO.39, SECTOR 17, MAIN MARKET, KURUKSHETRA
16	NORTH	JAMMU & KASHMIR	81A GOLE MARKET, GANDHI NAGAR, JAMMU
17	NORTH	JAMMU & KASHMIR	OPP. SBI, LEH (LADAKH)
18	NORTH	NEW DELHI	DSM 335-336-337, DLF TOWER, 15, SHIVAJI MARG, MOTI NAGAR, NEW DELHI.
19	NORTH	NEW DELHI	LGF 136 & LGF 125, WORLD TRADE CENTRE, BABAR ROAD, CONNAUGHT PLACE, NEW DELHI- 110001

20	NORTH	PUNJAB	#37, LOWER GROUND FLOOR, HONDA'S CITY CENTRE, OPP. BUS STAND, PHAGWARA-144401, DISTT. KAPURTHALA
21	NORTH	PUNJAB	GROUND FLOOR, SHOP NO. 3039-A, SHARMA COMPLEX, POWER HOUSE ROAD, OPPOSITE TRAFFIC POLICE, BATHINDA, (PUNJAB)
22	NORTH	PUNJAB	SCO NO. 14, 1 ST FLOOR, GREEN PARK AVENUE, CANAL COLONY, PAKHOWAL ROAD, LUDHIANA
23	NORTH	PUNJAB	SHOP NO. 2, YORK BUILDING. BMC CHOWK, NEAR HOTEL RADISSON, JALLANDHAR (PB)- 144001
24	NORTH	PUNJAB	BOOTH NO. 17, PHASE VII, MOHALI (PB)
25	NORTH	PUNJAB	DEEP COMPLEX, OPPOSITE MC OFFICE, TANDA (PUNJAB)
26	NORTH	PUNJAB	G.T. ROAD, NEAR PNB BANK, DASUYA
27	NORTH	PUNJAB	GROUND FLOOR, AMBEDKAR CHOWK, OPP. RAI MARKET, NAWANSHAHAR
28	NORTH	PUNJAB	GROUND FLOOR, OPP. CIVIL HOSPITAL, MAIN ROAD, BANGA – 144505 (PUNJAB)
29	NORTH	PUNJAB	GURU RAM DASS MARG, CHAAR KHAMBA CHOWK, OPP. PUNJAB & SIND BANK, TARANTARAN (PB).
30	NORTH	PUNJAB	KULDIP DI HATTI, MULANPUR ROAD, OPP. NOVA COLLECTIONS, SUDHAR, DISTT. LUDHIANA
31	NORTH	PUNJAB	MAIN CHOWK, AMRITSAR ROAD, AJNALA, DISTT. AMRITSAR
32	NORTH	PUNJAB	SHOP NO. 41, G/F, BUS STAND MARKET, KOTKAPURA ROAD, BAGAPURANA, DISTRICT MOGA
33	NORTH	PUNJAB	NEAR COOPERATIVE BANK, RAILWAY ROAD, HOSHIARPUR
34	NORTH	PUNJAB	OLD NAWANSHAHAR ROAD, PHILLAU, PUNJAB
35	NORTH	PUNJAB	OPP. GURDWARA SHAHID GANJ, VILLAGE URAPARH, DISTT. NAWANSHAHAR (PUNJAB)
36	NORTH	PUNJAB	OPP. GURUDWARA DUKHNIWARAN SAHIB, PASSEY ROAD, PATIALA
37	NORTH	PUNJAB	OPP. SBOP, NEAR RAILWAY STATION, HOSHIARPUR ROAD, GARHSHANKAR (PB.)
38	NORTH	PUNJAB	PHAGWARA ROAD, MAHILPUR, DISTT. HOSHIARPUR (PUNJAB)
39	NORTH	PUNJAB	PURI COMPLEX, G.T. ROAD, MOGA
40	NORTH	PUNJAB	NEAR WATER SUPPLY OFFICE, ROPAR ROAD, NURPURBEDI, DISTRICT ROPAR
41	NORTH	PUNJAB	ROSHAN ROAD, NEAR BENGALI SWEET SHOP, PHAGWARA CHOWK, HOSHIARPUR
42	NORTH	PUNJAB	SCO B-XI/207, K.C.ROAD, BARNALA (PUNJAB)
43	NORTH	PUNJAB	SHOP NO.1, SHIVAM MARKET, OPP. LIC OFFICE, G.T. ROAD, GURDASPUR (PUNJAB)
44	NORTH	PUNJAB	SCO 30, FUWARA CHOWK, JALANDHAR ROAD, BATALA

45	NORTH	PUNJAB	SHOP NO 309, SHOPPING MALL, LOVELY PROFESSIONAL UNIVERSITY CAMPUS JALANDHAR – DELHI G.T. ROAD, NH 1, PHAGWARA DISTT- KAPURTHALA
46	NORTH	PUNJAB	GROUND FLOOR, HARDIAL COMPLEX, NEAR JAIN SWEETS, OPPOSITE BUS STAND, KHANNA
47	NORTH	PUNJAB	SCO NO. 5, 1 ST FLOOR, DR. SMP SHOPPING COMPLEX. ABOVE GANGE MANGE DI HATTI, OPP. CITY CENTRE MALL, DALHOUSIE ROAD, PATHANKOT
48	NORTH	PUNJAB	SHOP NO.8, NEAR COLLEGE CANTEEN, VPO GARDIWALA, DISTT. HOSHIARPUR (PUNJAB)
49	NORTH	PUNJAB	THE MALL ROAD, SHAHEED UDHAM SINGH CHOWK MARKET, OPP. AXIS BANK, FEROZEPUR CITY
50	NORTH	PUNJAB	SHOP NO.111, K.S. GREWAL DOWN TOWN, TEHSIL ROAD, OPP SSP OFFICE, JAGRAON, DISTT. LUDHIANA - 142026
51	NORTH	PUNJAB	THE MALL, HANUMAN CHOWK, BHATINDA
52	NORTH	PUNJAB	VILL. & PO ADAMPUR, TEHSIL & DISTT. JALANDHAR, (PUNJAB)
53	NORTH	PUNJAB	VPO BEGOWAL, OPP. MICKY RESTAURANT, MIKHOWAL ROAD, BEGOWAL, DISTT. KAPURTHALA (PB.)
54	NORTH	PUNJAB	BATALA ROAD, MAIN BUS STAND, VERKA, AMRITSAR
55	NORTH	PUNJAB	BANWARI TOWER, G.F. OPP. BUS STAND, NEAR ORIENTAL INSURANCE, NAKODAR, DISTT. JALANDHAR.
56	NORTH	PUNJAB	JUBILEE CINEMA CHOWK, COLLEGE ROAD, OPPOSITE CANARA BANK, FARIDKOT (PUNJAB)
57	NORTH	PUNJAB	SCO NO. 3-4, GROUND FLOOR, SHREE BALAJI COMPLEX, PATIALA ROAD, ZIRAKPUR – 140 606
58	NORTH	PUNJAB	GROUND FLOOR, SHOP NO. 5, DEEP COMPLEX, COURT ROAD, OPPOSITE DOABA AUTOMOBILE, AMRITSAR- 143 001
59	NORTH	PUNJAB	Opp Shiv Mandir Railway Road Hoshiarpur
60	NORTH WEST	RAJASTHAN	8, KATEWA BHAWAN, OPP. GANPATI PLAZA, MI ROAD, JAIPUR
61	NORTH WEST	RAJASTHAN	SHOP NO. 11-C BLOCK, GAUSHALA ROAD, BIRBAL CHOWK, OPP. TATA TANISHQ JEWELLERY SHOWROOM, SRIGANGANAGAR (RAJASTHAN)
62	NORTH CENTRAL	UTTAR PRADESH	SHOP NO.3, 37, CANTT ROAD, LUCKNOW (U.P)
63	NORTH CENTRAL	UTTAR PRADESH	SHOP NO.9, MINT HOUSE, NADESAR, VARANASI (UP)
64	NORTH CENTRAL	UTTAR PRADESH	UNIT NO. F3/22, 3 RD FLOOR, PLOT NO. D-6, WAVE SILVER TOWER, SECTOR-18, NOIDA, UTTAR PRADESH- 201301

65	CENTRAL WEST	MADHYA PRADESH	SHOP NO. 7-8, NARMADA PLAZA, BLOOM CHOUK, SHASTRI BRIDGE, JABALPUR
66	CENTRAL WEST	MADHYA PRADESH	SHOP NO. G-15, DINDAYAL PARISHER, E-2, AREA COLONY, BHOPAL
67	CENTRAL WEST	MADHYA PRADESH	UG-1, ROYAL RATTAN TOWER, 7 M.G.ROAD INDORE (M.P.)
68	WEST	GUJARAT	GF/1, MANSURI HOUSE, OPPOSITE BEHRA MUNGA SCHOOL, ASHRAM ROAD, AHMEDABAD – 380 009
69	WEST	GUJARAT	7, KRISHAN TOWERS, OPP. SACHIN TOWERS, ANAND NAGAR, 100 FT. RING ROAD, AHMEDABAD(GUJRAT)
70	WEST	GUJARAT	G-20/P, THE EMPEROR, FATEHGUNJ MAIN ROAD, VADODARA-390002
71	WEST	GUJARAT	SHOP NO.5, PRAMUKH PALACE, JAI HIND CHAR RASTA, MANINAGAR, AHMEDABAD-380008
72	WEST	GUJARAT	SHOP NO.U-32, NEPTUNE TOWER, OPP. JALARAM PETROL PUMP, KALAWAD ROAD, RAJKOT-360005
73	WEST	GUJARAT	SHOP NO. 10, MUNICIPAL SHOPPING CENTRE, OPPOSITE PARAS CINEMA, NADIAD
74	WEST	GUJARAT	WARD NO. 3, NONDH NO. 4222, BARANPURI BHAGAL, BUNDELAWAD, SURAT (GUJRAT)
75	WEST	MAHARASHTRA	SHOP NO.8, CHINTAMANI PLAZA, ANDHERI KURLA ROAD, ANDHERI (E), MUMBAI
76	SOUTH	ANDHRA PRADESH	5 & 6, UPPER GROUND FLOOR, LIBERTY PLAZA, HIMMAYAT NAGAR, HYDERABAD (AP)
77	SOUTH	KARNATAKA	NO.70, FIRST & SECOND FLOOR, 27TH CROSS, 9TH MAIN, 4 TH BLOCK, JAYANAGAR, BANGALORE-560011
78	SOUTH	KERALA	NO.1 & 2, IST FLOOR, CORP.NO. 35/1460C, PENTA ESTATE, JANATHA JUNCTION, PALARIVATOM, KOCHI-6820259
79	SOUTH	PONDICHERRY	191, MISSION STREET, PONDICHERRY-605001
80	SOUTH	TAMIL NADU	17 B KALPALAM ROAD, GORIPALAYAM, MADURAI-625002
81	SOUTH	TAMIL NADU	DHEEN TOWERS, T.S. NO.845, EAST RAJA STREET, BRINDHAVANAM, PUDUKKOTTAI - 622 001 (T.N.)
82	SOUTH	TAMIL NADU	DOOR NO.1, FIRST FLOOR, ARCOT ROAD, ALWWARTHIRUNAGAR, CHENNAI - 6000 87
83	SOUTH	TAMIL NADU	NO.170, S.R.P. COLONY, PAPER MILLS ROAD, PERAVALLUR, CHENNAI-600082
84	SOUTH	TAMIL NADU	NO.205, VELACHERRY ROAD, SELAIYUR, CHENNAI-600073
85	SOUTH	TAMIL NADU	NO.2, SOUTH MAIN STREET, THIRUVARUR-610001, DISTT. THIRUVARUR
86	SOUTH	TAMIL NADU	NO.21G/4, SANKARAN STREET, NEAR SIVAN TEMPLE, CUDDALORE-OT-607003,DISTT.CUDDALORE
87	SOUTH	TAMIL NADU	NO. 1346, THADAGAM ROAD, NEAR VELMURUGAN PETROL BUNK, LAWLEY ROAD, COIMBATORE-641002

88	SOUTH	TAMIL NADU	NO.7, 1ST FLOOR, BISHOP HEBER HIGHER SECONDARY SCHOOL SHOPPING COMPLEX, PUTHUR HIGH ROAD, TRICHY – 620017 (TN)
89	SOUTH	TAMIL NADU	OLD NO. 209, NEW NO. 68, KAMRAJ SALAI, KUMBAKONNAM - 612 001 (T.N.)
90	SOUTH	TAMIL NADU	SRIDHARAN COMPLEX, NO.16-A, CUTCHERY ROAD, MAYILADUTHURAI-609001, DISTT. NAGAPATTINAM
91	SOUTH	TAMIL NADU	W/115/A III AVENUE, ANNA NAGAR, EAST CHENNAI
92	SOUTH	TAMIL NADU	NO.17, FIRST FLOOR, COURT ROAD, THIRU.V.KA STREET, VILLUPURAM - 605602
93	SOUTH	TAMIL NADU	NO. 96, MAIN ROAD, 1 ST FLOOR, OPP BUS STAND, ULUNTHURPET, DISTRICT VILLUPURAM - 606107
94	SOUTH	TAMIL NADU	NO. 14C, VELLALAR STREET, NSK TOWERS, ARIYLAUR - 621704
95	SOUTH	TAMIL NADU	VIJAY LODGE, 1 ST FLOOR, NO.90/195, JUNCTION ROAD, OPP BUS STAND, VIRUDACHALAM, DISTRICT CUDDALORE - 606601
96	SOUTH	TAMIL NADU	AKPS BUILDING, 1 ST FLOOR, CUTCHERY ROAD, OPP BUS STAND, KALLAKURUCHI - 606202
97	SOUTH	TAMIL NADU	48/206, BABA COMPLEX LONDONPET, NEAR BSNL OFFICE, KRISHNAGIRI, DISTRICT KRISHNAGIRI - 635001
98	SOUTH	TAMIL NADU	NO.1308, GADERAO WOER, SOUTH MAIN STREET, THANJAVUR - 613001

NOTICE

NOTICE is hereby given that 34th Annual General Meeting of the shareholders of M/s Paul Merchants Limited will be held on Thursday, the 27th day of September, 2018 at 12.00 Noon at the Forever Banquet, 20, Paschim Vihar Extn., 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, 2018 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, 2018 and the Report of the Auditors thereon.
3. To appoint a Director in place of Sh. Rajneesh Bansal (DIN 00077230) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sh. Dharam Pal Sharma (DIN 07284332), who retires by rotation and being eligible, offers himself for reappointment.
5. To ratify the appointment of Statutory Auditors as approved by Members at the Thirty First Annual General Meeting and, if thought fit, to pass the following resolution with or without modification(s) as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s Jain & Associates, Chartered Accountants, SCO 819-20 Sector 22-A, Chandigarh (Firm Regn. No. 01361N), as Statutory Auditors of the Company for a term of Five years i.e. till the conclusion of the 36th Annual General Meeting to be held in the year 2020, which was subject to ratification by Members at every Annual General Meeting, be and is hereby ratified to hold the office from the conclusion of this Annual General Meeting till the conclusion of 36th Annual General Meeting of the Company to be held in the year 2020, at such remuneration, reimbursement of out-of-pocket expenses, travelling and other expenses incurred in connection with audit to be carried out by them, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

SPECIAL BUSINESS:

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 28-09-2017 and pursuant to the Provisions of Section 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), Rules made thereunder and Schedule V to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in

force), as may be applicable, subject to such other approvals and compliances as per the applicable provisions of the Act as may be necessary, the approval of the Members be and is hereby accorded for revision of remuneration of Mr. Dharam Pal Sharma (DIN 07284332), Whole Time Director of the Company w.e.f. 01-04-2018 as given below:-

1. Annual Remuneration-Rs. 7,71,864/- (Rupees Seven Lakhs Seventy One Thousand Eight Hundred Sixty Four Only)
2. Annual Performance bonus up to : Rs. 28,000/- as decided by the Nomination and Remuneration Committee of the Board.
3. Monthly Incentive of Rs. 7,000/- per Month.
4. Gratuity as per the Payment Of Gratuity Act, 1972

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 minimum remuneration not exceeding the limits specified under Schedule V of the Act by making such compliances as provided in the said Schedule.

RESOLVED FURTHER THAT the 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 vary, alter or modify the terms and conditions including remuneration 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 in partial modification of earlier resolution passed by the shareholders in their Annual General Meeting held on 28.09.2015, pursuant to the provisions of Section 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Schedule V to the said Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other Rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force), subject to the notification of Section 197 and other relevant sections of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017, by Government of India 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 be and is hereby accorded for payment of remuneration to Mr. Sat Paul Bansal (DIN 00077499), Chairman Cum Managing Director of the company for the Financial Year 2018-19 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 the financial year 2018-19 based upon his performance as decided by the Nomination and Remuneration Committee of the Board

RESOLVED FURTHER THAT following additional terms and considerations be and are hereby approved in this regard:-

- a. The above remuneration shall be subject to Section 197 and other relevant Sections and Rules under the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 coming into

force by Notification by Government of India and accordingly the payment of Remuneration as above to the Chairman Cum Managing Director shall be irrespective of amount of profits of the Company computed under section 198 of the Companies Act, 2013.

- b. In case Section 197 and other relevant sections and Rules under the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 are not notified by the Government of India during FY 2018-19, the remuneration shall be strictly subject to the overall maximum limits of remuneration as provided in old Section 197 of the Companies Act, 2013 i.e. Section 197 before being amended by the Companies (Amendment) Act, 2017.
- c. With the payment of Remuneration as above to the Chairman Cum Managing Director after Section 197 of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 comes into force by Notification by Government of India as above, 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 existing Section 197 of the Companies Act, 2013 in the Financial Year 2018-19."

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 vary, alter or modify the terms and conditions including remuneration as may be agreed to by the Board of Directors or Board Committee and Mr. Sat Paul Bansal (DIN 00077499) subject to the provisions of all applicable Laws."

8. 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 earlier resolution passed by the shareholders in their Annual General Meeting held on 28.09.2016, pursuant to the provisions of Section 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Schedule V to the said Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other Rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force), subject to the notification of Section 197 and other relevant sections of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, by Government of India 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 be and is hereby accorded for payment of remuneration to Mr. Rajneesh Bansal (DIN 00077230), Executive Director of the company for his remaining tenure as given below:

- a. Rs. 3,50,000/- (Rupees Three Lakhs Fifty Thousand Only) per month.
- b. Monthly Rent Free accommodation valued at Rs.1,88,956/- with an annual increase of 8 % plus water and electricity in the said house
- c. Commission upto 2% of the Net Profits of the Company earned during a financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board

RESOLVED FURTHER THAT following additional terms and considerations be and are hereby approved in this regard:-

- a. The above remuneration shall be subject to Section 197 and other relevant Sections and Rules under the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 coming into force by Notification by Government of India and accordingly the payment of Remuneration as above to the Executive Director shall be irrespective of amount of profits of the Company computed under section 198 of the Companies Act, 2013.
- b. In case the Section 197 and other relevant sections and Rules under the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 are not notified by the Government of India during the tenure of the Executive Director of the Company, the remuneration shall be strictly subject to the overall maximum limits of remuneration as provided in old Section 197 of the Companies Act, 2013 i.e. Section 197 before being amended by the Companies (Amendment) Act, 2017
- c. With the payment of Remuneration as above to the Executive Director after Section 197 of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 comes into force by Notification by Government of India as above, 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 existing Section 197 of the Companies Act, 2013 in a given 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 vary, alter or modify the terms and conditions including remuneration as may be agreed to by the Board of Directors or Board Committee and Mr. Rajneesh Bansal (DIN 00077230) subject to the provisions of all applicable Laws.”

Place: Chandigarh
Date: August 13, 2018

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. 6, 7 and 8 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 34th 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 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 in order to receive payment of dividend, whenever declared, through electronic mode
 - b. Their PAN
 - c. their email id, in case the same have not been sent earlier, for the purpose of receiving the communication 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 transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferees of shares (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 including transfer, transmission or any other corporate action.
- (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 05-12-2018, it should be ensured that shares which are lodged for transfer shall be in dematerialized form only. A

communication to this effect has 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 2017-18 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 10 of the Companies (Accounts) Rules, 2014 the hard copy of Annual Report 2017-18 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://paulmerchants.net/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 34th Annual General Meeting and the Annual Report 2017-18 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 at cs@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 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
- (14) In terms of Section 152 of the Companies Act, 2013, Sh. Rajneesh Bansal (DIN - 00077230) and Sh. Dharam Pal Sharma (DIN 07284332), 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. Brief resumes of the Directors including those proposed to be re-appointed, 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 is 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

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 20-09-2018 to 27-09-2018 (both days inclusive) for the purpose of AGM.
- (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 Ballots 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 there under and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members are provided with the facility to cast their votes electronically, through the remote e-voting services provided by the Central Depository Services (India) Limited (CDSL), 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 is providing facility for voting by electronic means to its members to enable them to cast their votes through remote e-voting. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide remote e-voting facility (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).
- c. 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.
- d. The voting period begins on 09:00 a.m. (IST) on September 24, 2018 and ends on 05:00 p.m. (IST) on September 26, 2018. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20-09-2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- e. 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.
- f. 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.
- g. The cut-off date for the purpose of voting (including remote e-voting) is 20th September, 2018.
- h. Members are requested to carefully read the instructions for remote e-voting before casting their vote.
- i. 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	Monday, 09:00 a.m. (IST) on September 24, 2018
End of remote e-voting	Wednesday, 05:00 p.m. (IST) on September 26, 2018

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

IN CASE OF MEMBERS RECEIVING AN E-MAIL:

- (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 September 24, 2018 and ends on 05:00 p.m. (IST) on September 26, 2018
- (C) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20-09-2018 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. 20-09-2018, 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 20-09-2018
- (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 48 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 duly authorized person of the Company on Saturday, September 29, 2018 at 12.00 Noon 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 13, 2018

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. 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 28-09-2017. 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. 01-04-2018 subject to approval of shareholders in the following manner:-

1. Annual Remuneration-Rs. 7,71,864/- (Rupees Seven Lakhs Seventy One Thousand Eight Hundred Sixty Four Only)
2. Annual Performance bonus up to: Rs. 28,000/- as decided by the Nomination and Remuneration Committee of the Board.
3. Monthly Incentive of Rs. 7,000/- per Month.
4. Gratuity as per the Payment Of Gratuity Act, 1972

subject to the overall maximum limits of remuneration as provided in the Companies Act, 2013.

As per the requirements of the Companies Act, 2013 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. 01-04-2018 is subject to approval of the Members of the Company. Therefore your Directors recommend the Resolution set out at Item no. 6, to be passed as Special Resolution.

This Remuneration had been approved by the Board of Directors in their meeting held on 28-05-2018, 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 reviewed by 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 ES-1**. 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.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Item No. 7

Mr. Sat Paul Bansal, Chairman cum Managing Director of the Company is presently paid a remuneration @ Rs. 12,00,000/- per month in addition to a Commission of 2% of the Profits subject to the overall maximum limits of remuneration as provided in the Companies Act, 2013. This remuneration at current level had been approved by the Shareholders of the Company in their Annual General Meeting held on 28-09-2015, however in the Financial Year 2018-19 this remuneration may exceed the limits prescribed under existing Section 197 of the Companies Act, 2013. For the reason that the above remuneration paid to the Chairman cum Managing Director may exceed the limits as prescribed under the Act, the approval of the shareholders by way of Special Resolution is being sought, subject to the notification of Section 197 and other relevant sections and Rules under the Companies Act, as amended by Companies (Amendment) Act, 2017 by Government of India. In case the said Section(s) and Rules are not notified by the Government of India in the Financial Year 2018-19, then the remuneration of the Chairman cum Managing Director shall be subject to the overall limits as prescribed in the old Section 197. As such, your directors recommend the Special Resolution as set out in Item no. 7 of the Notice to be passed by the Shareholders of the Company by way of Special Resolution.

This Remuneration had been approved by the Board of Directors in their meeting held on 13-08-2018, 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 reviewed by 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 ES-2**. Further, the said remuneration is subject to the notification of Section 197 and other relevant sections of the Companies Act, as amended by Companies (Amendment) Act, 2017 by Government of India. The detailed conditions have been provided in the Resolution itself.

The Directors Mr. Sat Paul Bansal (DIN 00077499), Mr. Rajneesh Bansal (DIN 00077230), Mrs. Sarita Rani Bansal (DIN 00094504) and Mr. Sandeep Bansal (DIN 00094391) may be treated as interested in this resolution as Directors of the Company and being 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 Special resolution as set out at Item no. 7 in the Notice, except to the extent of their respective shareholding, if any.

Item No. 8

Mr. Rajneesh Bansal, Executive Director of the Company is presently paid a remuneration @ Rs. 3,50,000/- per month, a rent Free Accommodation valued at Rs. 1,88,956/- plus Electricity and Water charges in addition to a Commission of 2% of the Profits subject to the overall maximum limits of remuneration as provided in Companies Act, 2013. This remuneration at current level had been approved by the Shareholders of the Company in their Annual General Meeting held on 28-09-2016, however in the Financial Year 2018-19 this remuneration may exceed the limits prescribed under Section 197 of the Companies Act, 2013. For the reason that the above remuneration paid to the Executive Director may exceed the limits as prescribed under the Act, the approval of the shareholders by way of Special Resolution is being sought, subject to the notification of Section 197 and other relevant sections and Rules under the Companies Act, as amended by Companies (Amendment) Act, 2017 by Government of India. In case the said Section(s) and Rules are not notified by the Government of India during the remaining tenure of the Executive Director, then the remuneration of the Executive Director shall be subject to the overall limits as prescribed in the old Section 197. As such, your directors recommend the Resolution as set out in Item no. 8 of the Notice to be passed by the Shareholders of the Company by way of Special Resolution.

This Remuneration had been approved by the Board of Directors in their meeting held on 13-08-2018, 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 reviewed by 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 ES-3**. Further, the said remuneration is subject to the notification of Section 197 and other relevant sections/Rules of the Companies Act, as amended by Companies (Amendment) Act, 2017 by Government of India. The detailed conditions have been provided in the Resolution itself.

The Directors Mr. Sat Paul Bansal (DIN 00077499), Mr. Rajneesh Bansal (DIN 00077230), Mrs. Sarita Rani Bansal (DIN 00094504) and Mr. Sandeep Bansal (DIN 00094391) may be treated as interested in this resolution as Directors of the Company and being 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 Special resolution set out in Item no. 8 in the Notice, except to the extent of their respective shareholding, if any.

Place: Chandigarh
Date: August 13, 2018

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 ES-1

JAIN & ASSOCIATES CHARTERED ACCOUNTANTS	S.C.O. 819-20, Sector 22-A, Chandigarh 160022 Ph: 9876110632 PAN: AAAFJ6439Q Email: nnpnjain@gmail.com
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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 for the Financial Year 2018-19 as described below is fair and at Arm's Length:-

REMUNERATION:

1. Annual Remuneration- Rs. 7,71,864/- (Rupees Seven Lacs Seventy One Thousand Eight Hundred Sixty Four Only)
2. Annual Performance bonus up to: Rs. 28,000/- as decided by the Nomination and Remuneration Committee of the Board.
3. Gratuity as per the Payment Of Gratuity Act, 1972
4. Monthly Incentive of Rs. 7,000/- per Month.

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

**Sd/-
(NEERAJ JAIN)
PARTNER
M. No. 089477**

Date: 11/04/2018
Place: Chandigarh

Annexure ES-2

JAIN & ASSOCIATES CHARTERED ACCOUNTANTS	S.C.O. 819-20, Sector 22-A, Chandigarh 160022 Ph: 9876110632 PAN: AAAFJ6439Q Email: npnpjain@gmail.com
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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 the Financial Year 2018-19 alongwith other additional Terms and Conditions as described below is fair and at Arm's Length:-

REMUNERATION:

- 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 2018-19 based upon his performance as decided by the Nomination and Remuneration Committee of the Board.

ADDITIONAL TERMS AND CONDITIONS:

- a. The above remuneration shall be subject to Section 197 and other relevant Sections and Rules under the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 coming into force by Notification by Government of India and accordingly the payment of Remuneration as above to the Chairman Cum Managing Director shall be irrespective of amount of profits of the Company computed under section 198 of the Companies Act, 2013.
- b. In case Section 197 and other relevant sections and Rules under the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 are not notified by the Government of India during FY 2018-19, the remuneration shall be strictly subject to the overall maximum limits of remuneration as provided in old Section 197 of the Companies Act, 2013 i.e. Section 197 before being amended by the Companies Amendment Act, 2017.
- c. With the payment of Remuneration as above to the Chairman Cum Managing Director after Section 197 of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 comes into force by Notification by Government of India as above, 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 existing Section 197 of the Companies Act, 2013 in the Financial Year 2018-19.

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

**Sd/-
(NEERAJ JAIN)
PARTNER
M. No. 089477
Date: 27/07/2018
Place: Chandigarh**

Annexure ES-3**JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS****S.C.O. 819-20, Sector 22-A, Chandigarh 160022****Ph: 9876110632****PAN: AAAFJ6439Q****Email: nnpjain@gmail.com****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. Rajneesh Bansal (DIN 00077230), Executive Director of Paul Merchants Limited for the Financial Year 2018-19 alongwith other additional Terms and Conditions as described below is fair and at Arm's Length:-

REMUNERATION

- a. Rs. 3,50,000/- (Rupees Three Lakhs Fifty Thousand Only) per month.
- b. Monthly Rent Free accommodation valued at Rs.1,88,956/- with an annual increase of 8 % plus water and electricity in the said house
- c. Commission upto 2% of the Net Profits of the Company earned during a financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board.

ADDITIONAL TERMS AND CONDITIONS:

- a. The above remuneration shall be subject to Section 197 and other relevant Sections and Rules under the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 coming into force by Notification by Government of India and accordingly the payment of Remuneration as above to the Executive Director shall be irrespective of amount of profits of the Company computed under section 198 of the Companies Act, 2013.
- b. In case the Section 197 and other relevant sections and Rules under the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 are not notified by the Government of India during the Tenure of the Executive Director of the Company, the remuneration shall be strictly subject to the overall maximum limits of remuneration as provided in old Section 197 of the Companies Act, 2013 i.e. Section 197 before being amended by the Companies Amendment Act, 2017.
- c. With the payment of Remuneration as above to the Executive Director after Section 197 of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 comes into force by Notification by Government of India as above, 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 existing Section 197 of the Companies Act, 2013 in a given Financial Year.

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

**sd/-
(NEERAJ JAIN)
PARTNER
M. No. 089477**

**Date: 27/07/2018
Place: Chandigarh**

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS, FORMING PART OF THE CORPORATE GOVERNANCE REPORT

Name of Director	Mr. Rajneesh Bansal
Date of First (Original) Appointment:	27.02.1999
Date of Birth, Age	27.07.1974, 44 Years
Designation	Executive Director

Mr. Rajneesh Bansal, who is liable to retire by rotation and being eligible, is proposed to be re-appointed as the Director of the Company in the ensuing Annual General Meeting.

Expertise in Specific Functional Area:

Leadership skill, tact and initiative in Finance, New product lines, IT integration of business model and infra structure development. Displayed exceptional financial prowess in developing the Forex and Travel verticals of the Company in conjunction with the company's goals & objectives.

Terms and Conditions for re-appointment:

Term:- He has been serving the Board as Executive Director of the Company for a term of 5 years commencing from 01.04.2015 and ending with 31.03.2020.
He is liable to retire by rotation.

Remuneration:- His remuneration during FY 2017-18 is as follows:-

- Rs. 3,50,000/- (Rupees Three Lakhs Fifty Thousand Only) per month.
- Commission upto 2% of the Net Profits of the Company earned during a financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board subject to the overall limits as provided in Companies Act, 2013.
- Monthly Rent Free accommodation valued at Rs.1,74,960/- with an annual increase of 8 % plus water and electricity in the said house has been paid in the Financial year 2017-18. This rent free accommodation is valued at Rs. 1,88,956/- w.e.f. 01-04-2018.

Remuneration sought to be paid:- As stated in Special Resolution set out at Item in 8 in the Notice of the AGM.

Qualification: MBA

List of Other Directorships:-

Sr. No.	Name of the Company
1	Paul Overseas Pvt. Ltd.
2	Paul Energy Projects Pvt. Ltd.
3	Paul Excursions Pvt. Ltd.
4	Paul Fast Remit Pvt. Ltd.
5	Talk More Communications Pvt. Ltd.
6	Paul Merchants Finance (P) Ltd (formerly known as Paul Fincap Pvt. Ltd.)
7	PML Holidays Pvt. Ltd.

8	All India Association of Authorized Money Changers and Money Transfer Agents
9	PML Realtors Pvt. Ltd.
10	Horizon Remit Bhd. Sdn., Malaysia

**Chairman/Member of the Committee
of the Directors of Paul Merchants Ltd:**

1. Member of Executive Committee
2. Member of Stakeholders Relationship Committee
3. Member of CSR Committee

Chairman/Member of the Committee of the Directors of other Companies - NIL

Shareholding in the Company:- Holding 149746 Equity shares in his name representing 14.566 % of total paid up capital.

Relationship:- Mr. Rajneesh Bansal is son of Mr. Sat Paul Bansal, Chairman cum Managing Director & Mrs. Sarita Rani Bansal, Director. He is brother of Mr. Sandeep Bansal, Director of the Company. He is not related to any other Director, Manager or Key Managerial Personnel of the Company.

No. of Meetings of Board attended during the year - 5

Experience and Justification for re-appointment:

Mr. Rajneesh Bansal has over 19 years of diverse experience and has demonstrated his leadership skills, tact and initiative in conjunction with the company's goals & objectives. As a Director, he directs the growth and expansion of Forex, Travel Division and Third Party products of the Company. He is also involved in overall strategy, management & operation of International Money Transfer Business 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.

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LODR) REGULATIONS, 2015, FORMING PART OF THE CORPORATE GOVERNANCE REPORT

Name of Director	Mr. Dharam Pal Sharma
Date of First (Original) Appointment:	09-11-2015
Date of Birth, Age	04-10-1954, 63 Years
Designation	Whole Time Director

Mr. Dharam Pal Sharma, who is liable to retire by rotation and being eligible, is proposed to be re-appointed as the Director of the Company in the ensuing Annual General Meeting.

Expertise in Specific Functional Area:

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 center jointly run by International Monetary Fund (IMF) and RBI.

Terms and Conditions for re-appointment:

Term:- He has been serving the Board as Whole Time Director of the Company for a term of 5 years ending with 31.03.2020.
He is liable to retire by rotation.

Remuneration: - He has been paid remuneration during the FY 2017-18 as under:-

Annual Remuneration = 6,80,592/-
Annual Performance bonus up to: Rs. 25,000/- as decided by the Nomination and Remuneration Committee of the Board.
The Board has further allowed a fixed monthly incentive of Rs. 7,000/- per month.

Remuneration last drawn: - W.e.f. 01-04-2018, his Annual Remuneration is Rs. 7,71,864/-, Annual Performance Bonus up to Rs. 28000/- and Performance Incentive is Rs. 84000/- per Annum. This Remuneration is subject to approval of the Members in the ensuing Annual General Meeting.

Remuneration sought to be paid:- As stated in Special Resolution set out at Item in 6 in the Notice of the AGM.

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
Chairman/Member of the Committee of the Directors of Paul Merchants Ltd:	NIL
Chairman/Member of the Committee of the Directors of other Companies	NIL

Shareholding in the Company:- Holding Nil Equity shares in his name or in the name of his relatives.

No other person is holding any shares in the Company on his behalf on beneficial basis.

Relationship:- 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 year – 5

Experience and Justification for re-appointment:

Mr. Dharam Pal Sharma has over 37 years of diverse experience while working with Reserve Bank of India and his experience of working in the departments like Foreign Exchange Management and Human Resource Development is very much in line with the activities of the Company. Since 09-11-2015, he has been contributing immensely towards Compliance Management of the Company in the capacity of Designated Director 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.

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS, FORMING PART OF THE CORPORATE GOVERNANCE REPORT

Name of Director	Mr. Sat Paul Bansal
Date of First (Original) Appointment:	27-09-1990
Date of Birth, Age	22-07-1947, 71 Years
Designation	Chairman Cum Managing Director

It is proposed to pay remuneration to Mr. Sat Paul Bansal, Chairman Cum Managing Director on existing rate for the Financial Year 2018-19 subject to final approval of shareholders in the ensuing Annual General Meeting.

Expertise in Specific Functional Area:

Mr. Sat Paul Bansal is around 71 years of age and a Graduate in Arts and has been associated with Paul Merchants Limited for over 28 years. He is the Promoter director & Chairman Cum Managing Director of the Company and ever since joining 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 for the Remuneration on existing rate of the Company:

Term:- Mr. Sat Paul Bansal was re-appointed as Chairman Cum Managing Director for a period of 5 years w.e.f 01.04.2014 till 31.03.2019 by the Members in the Annual General Meeting of the Company held on 28-09-2015.

Remuneration:- His remuneration during FY 2017-18 is as follows:-

- Rs. 12,00,000/- (Rupees Twelve Lakhs Only) per month.
- Commission upto 2% of the Net Profits of the Company earned during a financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board subject to the overall limits as provided in Companies Act, 2013.

Remuneration sought to be paid:- As stated in Special Resolution set out at Item in 7 in the Notice of the AGM.

Qualification: Graduate in Arts

List of Other Directorships:-

Sr. No.	Name of the Company
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	EBIX Money Express Pvt. Ltd.
9	Horizon Remit Bhd. Sdn., Malaysia

**Chairman/Member of the Committee
of the Directors of Paul Merchants Ltd:**

Chairman of Executive Committee

Chairman/Member of the Committee of the Directors of other Companies - NIL

Shareholding in the Company:- Holding 201100 Equity shares in his name representing 19.56 % of total paid up capital.

Relationship:- 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 Key Managerial Personnel of the Company.

No. of Meetings of Board attended during the year - 5

Justification for Remuneration on existing rate of the Company:

Mr. Sat Paul Bansal has over 28 years of diverse experience in the Company and as a Promoter Director, has played monumental role in the growth and expansion of the Company. To make his remuneration performance linked, the re-structure of his remuneration is proposed.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting before you their 34th Annual Report together with the Audited Financial Statements of the Company for the Financial year ended 31st March, 2018.

FINANCIAL RESULTS :-

The financial results of the Company for the year under review are summarized for your consideration:

PARTICULARS	2017-18 (Amount in Rs.)	2016-17 * (Amount in Rs.)
Gross Income	4550,37,58,539	2896,47,37,066
Profit Before Interest and Depreciation	24,90,91,212	14,28,48,780
Interest	92,81,049	1,24,24,996
Gross Profit	23,98,10,162	13,04,23,784
Provision for Depreciation	3,33,02,366	2,90,50,590
Exceptional Items	-	26,66,099
Net Profit Before Tax	20,65,07,796	10,13,73,194
Provision for Tax	5,59,39,211	3,50,53,489
Deferred Tax	45,89,537	21,58,945
Net Profit After Tax	14,59,79,048	6,41,60,760
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	198,49,10,758	6,28,50,358
Other Comprehensive Income (net of tax)	-5,37,462	-25,00,101
Total Comprehensive Income (net of tax) (Transferred to Reserves and Surplus)	213,03,52,344	12,45,11,017
Balance of Surplus brought forward	150,24,51,611	137,79,40,594
Reserves and Surplus	363,28,03,955	150,24,51,611
Proposed Dividend on Equity Shares	Nil	Nil

Note: * The financials for FY 2016-17 have been regrouped, wherever necessary, to make it comparable with operational results from continued business in current financial year 2017-18.

STATE OF COMPANY'S AFFAIRS/ BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/HIGHLIGHTS/OPERATIONS

The Company operates principally in three business verticals Foreign Exchange, International Money Transfer and Tours & Travels. During the year under review, Gross revenue from International Money Transfer activities stood at Rs. 52.39 Crores, from Foreign Exchange Services stood at Rs. 4486.49 Crores and from Tours & Travel Segment stood at Rs. 44.27 Crores. The Profit before tax stood at Rs. 20.66 Crores and Profit after tax stood at Rs.14.60 crores from continued operations. Profit before Tax from discontinued operations stood at Rs. 258.26 crores

and Profit after Tax from discontinued operations stood at Rs. 198.50 crores /-. 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.

Further, during the year under review, the Company has sold its International Inward Money Transfer Business in India (MTSS Business) to M/s You First Money Express Private Limited (which is now known as Ebix Money Express Private Limited (CIN U65100MH2013PTC246789), a company incorporated under the Companies Act, 1956 and having its registered office at C 307 - 310, Mittal Commercial, Marol, Andheri East, Mumbai – 400059, as a Going Concern, together with assets and liabilities pertaining to the said business on a Slump Sale basis as defined under Section 2(42C) of the Indian Income Tax Act, 1961, for a consideration of Rs. 262,77,00,000/- (Rupees Two Hundred Sixty Two Crores Seventy Seven Lacs Only), subject to some adjustments as per the Business Transfer Agreement executed with the said buyer Entity. As a matter of fact, after some adjustments on closing date, the sale consideration came to Rs. 263,00,10,000/- (Rupees Two Hundred Sixty Three Crores Ten Thousand Only).

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.

RESERVES:-

Entire amount of Net Profit of Rs. 213,08,89,806/- which includes Net Profit of Rs. 198,49,10,758/- from discontinued MTSS Operations has been transferred to the Free Reserves under the head “Other Equity” in the Balance Sheet. No amount has been transferred or proposed to be transferred to any other reserves.

DIRECTORS:-

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rajneesh Bansal (DIN 00077230) and Mr. Dharam Pal Sharma (DIN 07284332), Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Board of Directors of the Company had increased the remuneration of Mr. Dharam Pal Sharma (DIN 07284332) w.e.f. 01-04-2018, subject to approval of Members in the ensuing Annual General Meeting.

Further, Board of Directors of the Company had approved the remuneration of Mr. Sat Paul Bansal (DIN 00077499), Chairman cum Managing Director and Mr. Rajneesh Bansal (DIN 00077230), Executive Director subject to approval of Members in the ensuing Annual General Meeting.

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.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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 25 of SEBI (LODR) Regulations, 2015.

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

The Annual Report of the Company contains a certificate 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, 2018

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
Sh. Tilak Raj Khepar	Chief Financial Officer
Sh. Hardam Singh	Company Secretary

There was no change (appointment or cessation) in the office of any KMPs during the year under review.

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 paid up equity share capital as on 31st March 2018 was Rs. 1,02,80,000/- and Authorized Share Capital was Rs. 2,00,00,000/-.

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.

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

Your Directors do hereby state 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.

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.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

During the year under review, the Company has sold its International Inward Money Transfer Business in India (MTSS Business) to M/s You First Money Express Private Limited (which is now known as Ebix Money Express Private Limited (CIN U65100MH2013PTC246789), a company incorporated under the Companies Act, 1956 and having its registered office at C 307 - 310, Mittal Commercial, Marol, Andheri East, Mumbai – 400059, as a Going Concern, together with assets and liabilities pertaining to the said business on a Slump Sale basis as defined under Section 2(42C) of the Indian Income Tax Act, 1961. On the request of Ebix with a view to ensure continuity of operations, the Company had been carrying on MTSS business on behalf of Ebix and the Company has stopped doing MTSS business on behalf of Ebix w.e.f. midnight of 21st May, 2018. After closure of the said transactions, the Company has been offering the MTSS services to the general public as a sub agent of Ebix Money Express Private Limited.

After the close of the Financial Year 2017-18, the Company has further increased its equity stake in its subsidiary Company Paul Fincap (P) Ltd. (which is now known as Paul Merchants Finance (P) Ltd) and total stake of the Company in that subsidiary stands at 88.96% on the date of this report.

After the close of the Financial Year 2017-18, the Company has further increased its equity stake in its subsidiary Company PML Realtors (P) Ltd and total stake of the Company in that subsidiary stands at 100% on the date of this report.

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

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

The requisite information has been given by way of an **Annexure D-1** to this Report.

CHANGES HAPPENING DURING THE FINANCIAL YEAR

Your Directors wish to inform that following change happened during the year under review:-

During the year under review, the Company has sold its International Inward Money Transfer Business in India (MTSS Business) to M/s You First Money Express Private Limited (which is now known as Ebix Money Express Private Limited (CIN U65100MH2013PTC246789), a company incorporated under the Companies Act, 1956 and having its registered office at C 307 - 310, Mittal Commercial, Marol, Andheri East, Mumbai – 400059, as a Going Concern, together with assets and liabilities pertaining to the said business on a Slump Sale basis as defined under Section 2(42C) of the Indian Income Tax Act, 1961.

Further, during the year the Company acquired Equity Stake in its Group Company Paul Fincap (P) Ltd (which is now known as Paul Merchants Finance (P) Ltd) to the extent of 77.94% % and accordingly, the said Company became Subsidiary of the Company. After the close of the Financial

Year 2017-18, the Company has further acquired equity stake in the said Company and total stake of the Company in that subsidiary stands at 88.96% now.

Further, during the year the Company subscribed to Equity Stake in the Company PML Realtors (P) Ltd. to the extent of 97 % and accordingly, the said Company also became Subsidiary of the Company. On 06-04-2018, the Company acquired balance 3% equity Stake also and as such, the said Company became wholly owned Subsidiary of the Company.

There have not been any other changes during the Financial Year under review:

- a. In the nature of Company's business
- b. Generally in the class of business in which the Company has an interest

Further, the Company has following two Subsidiaries:-

- a. Paul Merchants Finance (P) Ltd (formerly known as Paul Fincap (Pvt) Ltd.), which became subsidiary of the Company during the year. Its name has been changed to Paul Merchants Finance (P) Ltd., which is engaged in the business of Gold Loans, Business/personal loans and PPI Instruments. 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.
- b. PML Realtors (Pvt) Ltd., which became subsidiary of the Company during the year. The Company is engaged in buying and selling of Real Estate Properties and 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.

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. F 5901, confirming compliance with the conditions of Corporate Governance is also annexed with this Report 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.

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.

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 also attached as **Annexure D-4** which forms part of this report.

DETAILS OF COMMISSION RECEIVED BY MANAGING DIRECTOR OR WHOLE TIME DIRECTOR

Commission paid to Mr. Sat Paul Bansal, the Chairman cum Managing Director of the Company for the Financial Year 2017-18 comes to Rs. 18,86,458/-

Commission paid to Mr. Rajneesh Bansal, the Executive Director of the Company for the Financial Year 2017-18 comes to Rs. 18,86,458/-

NUMBER OF MEETINGS OF BOARD

During the year 2017-18, 5 (Five) Board Meetings were held and 1 (One) Independent Directors meeting was held on 14.02.2018. The dates on which the Board Meetings were held are 29.05.2017, 23.08.2017, 21.09.2017, 14.11.2017 and 14.02.2018. 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 forming part of this Annual Report.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

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 28-05-2018 in terms of the provisions of Section 134 (3) (p) of the Companies Act, 2013. 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 14.02.2018 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.

The Directors express their satisfaction over the evaluation process.

STATUTORY AUDITORS & AUDITORS 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. As per the provisions of Section 139 of the Companies Act, 2013 before being amended by the Amendment Act, 2017, the appointment of Auditors was required to be ratified by Members at every Annual General Meeting. However, as per Section 139 of the Act as amended by Companies Amendment Act, 2017, requirement of ratification of appointment every year has been done away with. Therefore, the appointment of the Statutory Auditors have been proposed to be ratified by the Shareholders 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 2017-18.

SECRETARIAL AUDITORS AND THEIR 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 2017-18 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, reservation, adverse remarks or disclaimer by the Secretarial Auditors in the Report issued by them for the financial year 2017-18 which call for any explanation from the Board of Directors.

FRAUDS REPORTED BY AUDITORS

There are no frauds reported by auditors under sub-section (12) of section 143 including those which are reportable to the Central Government.

COST AUDIT

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.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements with respect to the Joint Venture Company M/s Horizon Remit Sdn. Bhd., Malaysia, Subsidiary Companies Paul Fincap (P) Ltd (now known as Paul Merchants Finance (P) Ltd) and PML Realtors (P) Ltd pursuant to Section 129(3) of the Companies Act, 2013 (Act) and SEBI Listing Regulations and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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, 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.

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) and audit and compliance 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 24-05-2018 and by the Board of Directors of the Company on 28-05-2018.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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 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 Board 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, explain approach adopted by the Company for risk management, define the organizational structure for effective risk management, develop 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 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 on a regular basis. In the opinion of the Board there has been no identification of elements of risk that may threaten the existence of the Company.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES/ASSOCIATES/JOINT VENTURES

The Company has two subsidiaries namely:-

- a. Paul Fincap (Pvt) Ltd., which became subsidiary of the Company during the year. Its name has now been changed to Paul Merchants Finance (P) Ltd., which is engaged in the business of Gold Loans, Business/personal loans and PPI Instruments.
- b. PML Realtors (Pvt) Ltd., which became subsidiary of the Company during the year. The Company is engaged in buying and selling of Real Estate Properties.

Further, apart from above two 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) and Western Union Processing Limited, an Irish Limited Liability Company are the other partners in the said Joint Venture Company.

During the FY 2017-18, the Subsidiary Company Paul Merchants Finance (P) Ltd. (earlier known as Paul Fincap (Pvt) Ltd.) achieved gross revenue of Rs. 5,21,97,153/- as against previous year figures of Rs. 3,12,83,340/- registering a growth of 66.85% over previous year. Further, the said

Subsidiary Company achieved a Net profit after Tax of Rs. 61.28 Lakhs as against the figures of Rs. 36.94 Lakhs during previous year.

During the FY 2017-18, the Subsidiary Company PML Realtors (P) Ltd., achieved gross revenue of Rs. Nil and other Income of Rs. 5,49,444/-. Further, the said Subsidiary Company achieved a Net Loss after Tax of Rs. 19,60,377. As the Company is newly incorporated in the year under review, it is expected to start generating revenue in the years to come.

During the FY 2017-18, the JV Company M/s Horizon Remit Sdn. Bhd. Malaysia achieved gross revenue of RM 57.07 Lacs registering a growth of 0.39 % over previous year. Further, the JV achieved a profit of RM 2.74 Lakhs as against previous year figures of RM 3.89 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.**

DEPOSITS

The Company has neither accepted nor renewed any deposits during the Financial Year 2017-18 in terms of Chapter V of the Companies Act, 2013. Information in this regard, therefore, 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.

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, 2018 comprises of the following Independent Directors:

Shri. Vigyan Arora	Independent Director, Chairman
Shri Dilbagh Singh Sidhu	Independent Director, Member
Shri Ajay Kumar Arora	Independent Director, Member

Details of the Audit Committee have been separately given 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, 2018 the Committee comprises of the following Directors:

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

The details of Remuneration Policy and the Committee are furnished in the Report on Corporate Governance, which is annexed herewith.

STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Regulation 20 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee is duly constituted with following composition as on March 31, 2018:-

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In terms of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee of the Board with the following composition as on March 31, 2018:

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

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 2018-19 has already been paid.

ANNUAL RETURN

The Annual Return as on March 31, 2018 as referred to in sub section (3) of Section 92 has been placed on the Website of the Company under weblink http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2018/08/Form_M.

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

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments under Section 186 of the Act made during the Financial Year 2017-18 are attached as **Annexure D-8** which forms part of this report. Further, reference can be made to NOTE 2, 6 & 9 to the Financial Statements.

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

With reference to Section 134(3)(h) of the Companies Act, 2013, 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. 38 of the Financial Statements.

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/2017/02/Related-Party-Transaction-Policy.pdf>

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/2017/07/Vigil-Mechanism-Policy.pdf>

DIRECTORS' RESPONSIBILITY STATEMENT:-

Pursuant to Section 134 (5) read over with Section 134 (3) (c) 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.

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

It is a proud statement in itself that your Company continues to be an Employer of choice for a host of workforce. Value based HR programs unleashed by the Company from time to time have enabled the company's HR team to contribute substantially to the overall growth of the Company. In order to keep pace with the ever evolving demands of the existing 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/2018/07/Policy-Determination-of-Materiality.pdf>

The company has already paid listing fees for the year 2018-2019 to the 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 Trading by its employees and other connected 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 Mr. Tilak Raj Khepar, CFO, have issued a certificate as per the contents of said Regulation for the year ended March 31, 2018. 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 96.11% 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 in 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 already filed the necessary forms and uploaded the details of unpaid and unclaimed amounts lying with the Company, when the same was lying unpaid/unclaimed.

FINANCIAL STATEMENTS

Standalone as well as Consolidated Annual Report 2017-18 of the Company containing complete 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) are being sent via email to all shareholders who have provided their email address(es). To others, the Annual Report is being sent by post. Full version of Annual Report 2017-18 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 2017-18, 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, Western Union Financial Services Inc, U.S.A, Continental Exchange Solutions, Company's Bankers, Government Agencies and Employees of the company for their continued support & co-operation.

For & On Behalf of the Board

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

For & On Behalf of the Board

**SD/-
(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)**

PLACE: CHANDIGARH
Date: August 13, 2018

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 being put for conservation of energy and minimize power cost. The Energy conservation measures include replacement of incandescent lights with 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.

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:

	2017-18	2016-17
PARTICULARS	Amount (Rs. In lacs)	Amount (Rs. In lacs)
Foreign Exchange Outgo		
Towards Travelling Overseas	47.49	16.36
Towards Advertisements & Business Promotion	NIL	NIL
Towards Tour Packages Business	268.88	233.30
Towards Revenue Share for outward Remittances	86.91	69.00
Total	316.37	318.66
Foreign Exchange Receipts		
Gross Remittance from W.U.	9,33,727.68	13,04,866.15
Tour Packaging Business	9.17	156.23
Total	9,33,736.85	13,05,022.38

For & On Behalf of the Board

SD/-
(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)

PLACE: CHANDIGARH
 Date: August 13, 2018

For & On Behalf of the Board

SD/-
(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

ANNEXURE D- 2 TO THE DIRECTORS' REPORT

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 Listing Regulations, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

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 personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

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.

3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

3.1.3. Recommend to the Board, appointment and removal of Directors, KMPs and Senior Management Personnel.

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:-

- d. 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
- e. 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.

- f. 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

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 and rules made there under 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 Minimum two (2) members shall constitute a quorum for the Committee meetings.
- 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, it shall be ensured that such minimum number of meetings of the committee are held as required under the Companies Act, 2013 and Rules framed thereunder or under the Listing 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 a 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 minuted 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/-
(CHAIRMAN)

For & On Behalf of the Board

SD/-
(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)

For & On Behalf of the Board

SD/-
(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

PLACE: CHANDIGARH
Date: August 13, 2018

ANNEXURE D-3 TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

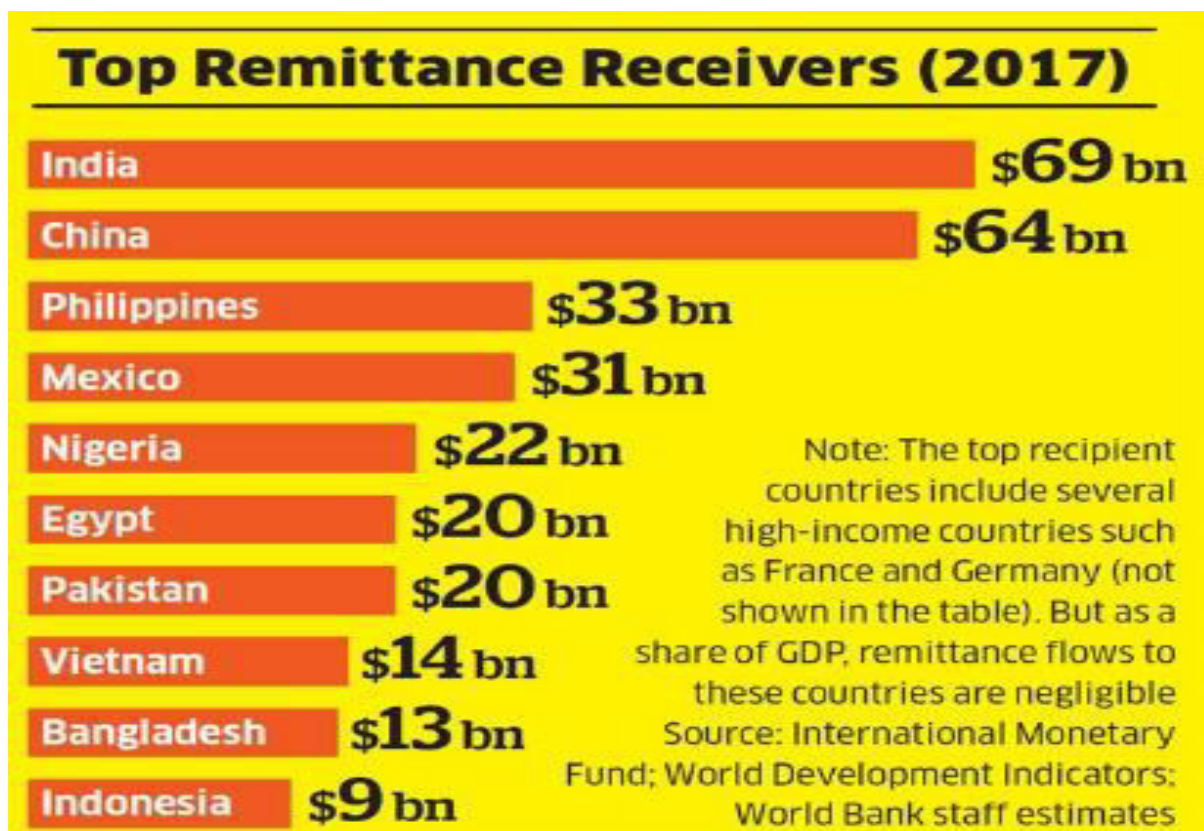
PART (1)

(a) INDUSTRY STRUCTURE AND DEVELOPMENTS

International Money Transfer

India continued to remain the top receiver of remittances in 2017, getting funds of \$69 billion, according to the World Bank. The previous two years had registered a dampening of outbound remittance flows from the Gulf Cooperation Council (GCC) countries due to policies discouraging the recruitment of foreign workers. But according to the World Bank's latest Migration and Development Brief, last year saw a stronger-than-expected recovery in remittances, driven by growth in Europe, Russia and the US.

The Indian diaspora tops the charts when it comes to sending money home. Remittances to India picked up sharply by 9.9 per cent in 2017 to reach about \$69 billion, reversing the previous year's dip. The World Bank has previously noted that although remittances as a share of GDP was not



particularly significant for India - averaging around 2 per cent - there were subnational variations in the impact of remittances.

The rebound came on the back of high employment rates in the US as well as a steep rise in oil prices in the GCC countries. Indians in the United Arab Emirates (UAE) remitted the largest volumes of funds to India. The US, with thousands of skilled professionals, came second.

Keeping in mind the interests of the low-skilled Indian workers in the Gulf, from where roughly \$37 billion remittances flowed into the country in 2017, the Reserve Bank of India is committed to keeping the cost of remittances low.

The average volume per each remittance for a blue-collar worker is \$400, whereas it hovers between \$1,500 & 2,000 for a white-collar worker. White-collar remitters from western countries such as the US, remit money infrequently, depending on when they get good exchange rates

Remittance Market in India

Here is a break up of remittances, Indians sent back home during the year under review:

S. No.	Country	Remittance	Population of Overseas Indians	Per capita annual remittance
1	UAE	\$13.8 billion	2.8 million	Rs 3.4 lakh
2	USA	\$11.7 billion	4.5 million	Rs 1.8 lakh
3	Saudi Arabia	\$11.2 billion	3.3 million	Rs 2.4 lakh
4	Kuwait	\$4.6 billion	0.9 million	Rs 3.4 lakh
5	Qatar	\$4.1 billion	0.7 million	Rs 4.1 lakh
6	United Kingdom	\$3.9 billion	1.8 million	Rs 1.5 lakh
7	Oman	\$3.3 billion	0.8 million	Rs 2.8 lakh
8	Canada	\$2.9 billion	1 million	Rs 1.9 lakh
9	Australia	\$2 billion	0.5 million	Rs 2.6 lakh

Australia has been among the top 10 source countries in the past 2 years, becoming one of the most sought after destinations for Indians.

Overall, the order of countries that are sources of remittances to India have remained the same. But the demographics are changing. In the last few years, the GCC countries have attracted more skilled workers, as compared with unskilled workers.

The World Bank in its recent report said, the global average cost of sending USD 200 was 7.1 per cent in the first quarter of 2018, more than twice as high as the Sustainable Development Goal target of 3 per cent. Sub-Saharan Africa remains the most expensive place to send money to, where the average cost is 9.4 per cent.

Foreign Exchange

Three interrelated factors have contributed to the evolution of foreign exchange market as we see it now. First, there has been tremendous improvement in global communication infrastructure. Gone are the days when trading and settlement used to be done over telegraphic systems (hence the term cable rate). The modern communication network has reached the time and space gap and the only limitation now is the diurnal motion of the earth. Secondly, this period also coincided with quantum advancement in computing capacity. This has helped in improving the

communication network. But more importantly it has made trading and settlement quite easier. It is possible for the trader as well as the back office to instantaneously understand the implication of a trade. The ultimate culmination of this is of course 'algorithm trading'. Thirdly, along with the development in computation, sophisticated mathematical models have evolved to engineer complex and bespoke financial products. A combination of these three factors has brought about a foreign exchange market that is truly global, liquid and large.

The legal framework for administration of foreign exchange transactions in India is provided by the Foreign Exchange Management Act, 1999. Under the Foreign Exchange Management Act, 1999 (FEMA), which came into force with effect from June 1, 2000, all transactions involving foreign exchange have been classified either as capital or current account transactions. All transactions undertaken by a resident that do not alter his / her assets or liabilities, including contingent liabilities, outside India are current account transactions. Foreign exchange market in India has developed significantly in the post-reforms era following the phased transition from a pegged exchange rate regime to a market determined exchange rate regime in 1993 and the subsequent adoption of current account convertibility in 1994. With the abolition of liberalized exchange rate management system (LERMS) in 1993, the exchange rate of the rupee became market determined. The day-to-day movements in the exchange rate of the rupee are determined by forces of demand and supply. There has been a significant increase in both depth and liquidity in the spot as well as forward market segments, which could be gauged from the rise in the average daily forex market turnover from approximately US\$ 16 billion in 2005-06 to nearly US\$ 55 billion in 2014-15 and US\$ 5 Trillion presently. The depth of the foreign exchange market can also be gauged from the fact that the bid-offer spread in USD-INR pair is quite narrow now. The forex market conditions have generally remained orderly with intermittent episodes of volatility in the past two decades on account of external or internal factors or a combination of both.

Tours and Travels

Travel and tourism industry is one of the largest industries in India and very significant employment generators. According to the UN's World Tourism Organization (UNWTO), the travel and tourism industry provides 6-7 per cent of the world's total jobs directly and much more indirectly through the multiplier effect. The travel and tourism industry in India is ranked 12th among 184 countries in terms of GDP contribution and the tourism industry in India is set to grow at 7.8% per year during 2013-2023. The travel and tourism market in India is estimated to boom to USD 418.9 billion by the year 2022 and so there is plenty of opportunity for new entrepreneurs starting in the travel and tourism industry as travel agents. There are many constituents of this Industry like Tour Operators, Airlines, Hotel Industry, Transportation and Ministry of Tourism of course. Global travel industry gross bookings reached \$1.6 trillion in 2017, making it one of the largest and fastest growing sectors in the world

SEGMENT WISE PERFORMANCE

International Money Transfer Division (MTSS Business)

During the year under review, the Company had been acting as Principal Agent of Western Union Financial Services Inc., USA and Continental Exchange Solutions Inc. dba Ria Financial Services, USA. With the approval of the shareholders of the Company and after obtaining statutory and other approvals, the Company has sold its MTSS Business in India [MTSS Business means business of acting as Principal Agent for the Licensed International Inward Money Transfer Operators ("Overseas Principals") to facilitate International inward money transfer transactions in India under the MTSS licenses issued by Reserve Bank of India] to M/s You First Money Express

Private Limited (now known as M/s Ebix Money Express Private Limited (Ebix)), a company incorporated under the Companies Act, 1956 and having its registered office at C 307- 310, Mittal Commercial, Marol, Andheri East, Mumbai - 400059, India. The sale was for a lump sum consideration of Rs. 262,77,00,000/- (Rupees Two Hundred Sixty Two Crores Seventy Seven Lacs Only) subject to adjustments on closing of the transaction as detailed under the Business Transfer Agreement executed with Ebix, without values being assigned to the individual assets and liabilities. As a matter of fact, after some adjustments on closing date, the sale consideration came to Rs. 263,00,10,000/- (Rupees Two Hundred Sixty Three Crores Ten Thousand Only). After the deal was closed between the parties, the Company carried on the MTSS business on behalf of Ebix till 31-12-2017 with respect to Western Union and till 21-05-2018 with respect to Ria Financial Services, under a Cooperation Agreement executed with Ebix, as Ebix required to obtain approval from Reserve Bank of India and also to enter into Agreements with Overseas Principals. The financial figures relating to this segment have been shown in Note 32 in the Balance Sheet under the heading "Discontinued Operations."

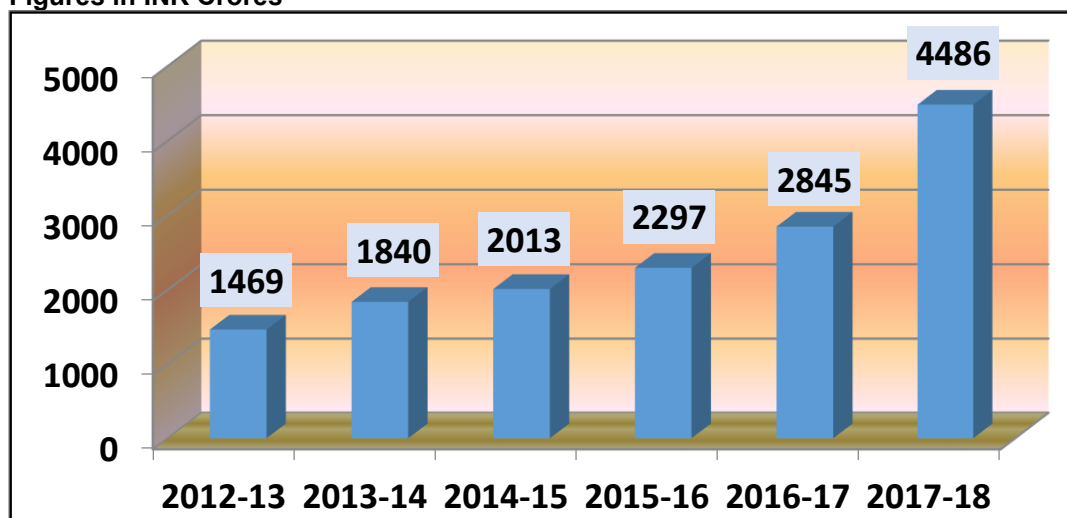
During the year under review, the Company registered a gross revenue from this segment at Rs. 52.39 crores as against the previous year figure of 101.59 crores. Further, the Company effected 42,79,968 MTSS transactions (WU and RIA) as against 59,23,995 done last year, a drop of approx. 28%. The decline happened only due to the fact of sale of this segment as explained in the above para.

FOREX DIVISION

The total turnover from this division increased to Rs.4486.49 crores as compared to previous year figures of Rs.2845.51 crores, registering a robust growth of 57%. 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 91% of the total turnover. The company registered a strong growth of 67% 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 80% from Rs. 1909 crores to Rs. 3446 crores.

Total Forex Turnover Trends

Figures in INR Crores

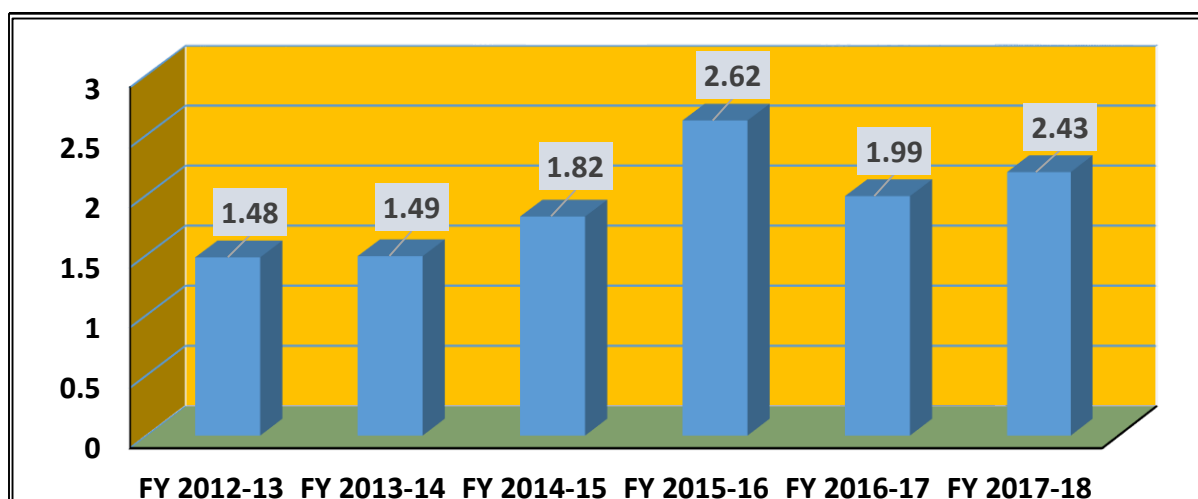


Among the various products in Forex, the Telegraphic Transfer business has always been one of the major contributor towards the overall Forex Sales. This year too it has been one of the major contributing product with a 72% share in the total sales and has grown by 82%. Currency business is the second 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. 2.43 crores as against the previous year's figures of Rs. 1.99 crores, registering thereby a growth of 22% over last year.

Non AD II Income (Figures in INR Crores)



TRAVEL DIVISION

With the growth of the online travel industry, in all its different guises, people now have a lot more information at their fingertips and the research process has become a larger, richer part of holiday planning. At the same time, travel industry providers have grown exponentially in India, so visitors now have more options than ever.

During the year under review, the Company achieved a total turnover of Rs. 44,27,09,931/- in this segment, as compared to the previous year's figures of Rs. 41,46,77,630/-, registering a growth of 6.76%. Further, the performance of sub segments in this Division is discussed in the following paras.

Air Ticketing: - Company's online portal www.pmlholidays.com continues to be a favoured platform in B2B market thanks to the continued and remarkable effort of team at PML. During the year under review, sale of Air Ticketing stood at Rs. 38.46 crores as compared to previous year's figure of Rs. 35.79 Crore.

Outbound Tours: - The success of Travel Division of the Company largely depends upon income from this segment. For this reason, the focus of the Company has been to enrich this segment. The team is geared up to make headway in this field and new Tie Ups are being forged with overseas suppliers. The

Company generated gross revenue to the tune of Rs. 77.82 Lac in this segment in the year under review against the previous year figure of Rs. 36.01 Lac.

Other Miscellaneous Services:- 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. This segment also holds immense potential in future. At the moment, there is no notable presence of the Company in this segment, however, efforts are on to make a significant presence in this field. The Company generated gross business to the tune of Rs. 20.87 Lakhs in this segment in the year under review against the previous year figure of Rs. 10.23 Lakhs.

The Company has also been taking efforts to increase its bandwidth in other fields like Inbound Tours, where quality services shall be provided to the customer on reasonable prices.

(b) OPPORTUNITIES & THREATS

OPPORTUNITIES

As global economic activity continues to strengthen, global growth is forecast to grow by 3.9% during 2018 as per the International Monetary Fund's (IMF) January 2018 World Economic Outlook. The IMF expects India to grow at 7.4% during 2018 which could increase further to 7.8% during 2019 in contrast to 6.7% during 2017. The Economic Survey for 2017-18 pegs the figure at 7-7.5% for the financial year ahead. The accelerated growth in the economy throws vast opportunities to grow all business verticals of the Company.

Further, much of India's travel growth may be attributed to increasing disposable income, decreasing cost of international airfare and availability of affordable travel packages. In particular, the rise of low cost carriers (LCCs) in India has impacted the way Indians travel as they now have more alternatives, beyond domestic travel, when planning for short holidays.

In these circumstances, both the Business Verticals of the Company i.e. Forex and Travel Divisions are expected to be the beneficiaries and both the sectors are set to achieve the growth goals set by the Management of the Company.

THREATS

An assortment of global hotspots are positioned to affect major currencies and their viability on forex markets. Another big question hanging over markets is the unprecedented explosion of cryptocurrencies. Rising to more than US\$16,000, bitcoin shocked global observers and turned many into overnight millionaires. Markets are now split on opposite ends of the spectrum. Some say it is a bubble ripe for bursting, while others insist that the value can only keep rising. All in all, the Forex Markets, not only in India but globally, will have to respond to these threats in a structured manner to stay afloat.

Further, the ever changing regulatory matrix and changing dynamics of the industry poses threats for both Forex as well as International Money Transfer businesses of the Company.

Further, the rising cut throat competition in Travel Industry is a big threat for the margins and every day a new product mix surfaces.

(c) **OUTLOOK**

The factors responsible for the US dollar's depreciation over the past year have started to reverse. The US 10- year Treasury yield has been rising towards 3% since the start of 2018, well above the 2.60% the same time last year when the US Dollar Index (DXY) was above 100. The future of Forex looks to be very promising in the backdrop of a resurgent economy, strengthening forex markets and Company's strong focus on growing this segment. The Company's increased focus on this segment in the aftermath of sale of MTSS business of the Company will also give a much needed fillip to this segment.

Further, evolving technologies and data-driven personalization are shaping the future of travel Industry and redefining the relationship between customer and brand. Some technologies poised to change the industry include Artificial Intelligence, Voice Technology, Automation, Blockchain. While this outlook focuses heavily on the growing role of technology in the travel ecosystem, technology alone will not give the Travel Industry all the tools they need to succeed in the coming year. At its heart, travel is still very much a people-to-people experience. A such, the industry will strive to use technology to produce elevated, authentic experiences without losing sight of the human connection.

(d) **RISKS AND CONCERNS**

Foreign exchange business is prone to many risks. The major risks that the Company faces 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, high-profile events such as natural disasters, terrorist attacks, and medical crises continued to dominate headlines last year, which poses a risk for the Travel Industry in future as well. Further, the turbulent political conditions, Law and Order condition, Climatic changes in destination countries also pose a big risk and concern for the Travel Industry.

(e) RISK MANAGEMENT, INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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. 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. Continuous efforts are made that controls are embedded in the systems & business processes so that automated alerts are generated calling for requisite follow up action. 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. For this purpose, a separate Audit and Inspection Department has been created which is headed by a qualified Chartered Accountant. 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. A separate Monitoring Cell is in place to monitor individual transactions as well as Company procedures so as to ensure that controls are working properly.

(f) 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. 4550.38 crores, an increase of 57.10% over 2016-17. Profit before tax (PBT) from continued operations (stand alone) was Rs.20.65 Crores and Profit after tax was Rs. 14.59/- crores. The Company effected 42,79,968 MTSS transactions (WU and RIA) as against 59,23,995 last year, a drop of 27.75%. The total operating income (continued business) of the Company is Rs. 22.08/- crores as compared to last year figure of Rs. 12.18/- crores, an increase of 81.28%.

During the year under review, total Revenue of the Company from continued operations (consolidated) was Rs. 4555.65 crores, an increase of 57.28 % over 2016-17. Profit before tax (PBT) from continued operations (consolidated) was Rs.21.23 Crores and Profit after tax was Rs. 15.01/- crores

(g) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT

Your Company always believes in its ideology that a Great Business Model, Great Brand and Great People go hand in hand. Company's policy on its Human Resources continues to focus on giving requisite support to all business verticals of the Company in achieving sustainable and inclusive growth by providing requisite talent at right positions. The Company continues to focus on

progressive employee relations policies, creating an inclusive work culture and a strong talent pipeline.

The Company has well documented and updated HR policies in place to prevent any kind of discrimination and harassment, including sexual harassment. The Whistle Blower Policy cum Vigil Mechanism plays an important role as a watchdog in this respect.

Your Company is focused on building a high-performance culture with a growth mindset where employees are engaged and empowered to be the best they can be. Developing and strengthening capabilities of all employees in your Company has remained an ongoing priority.

As on 31st March, 2018, 521 number of people are employed in the Company.

PART 2

DISCLOSURE OF ACCOUNTING TREATMENT

For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013. In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind AS") with effect from April 1, 2017. Accordingly, these financial statements as and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS. The company has applied IND AS to items which are material and made specific disclosure required by an Ind AS if the information is material or when required by law in accordance with said notification.

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

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

For & On Behalf of the Board

**SD/-
(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)**

PLACE: CHANDIGARH
Date: August 13, 2018

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	66:1
		Mr. Rajneesh Bansal	27:1
		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 *	-25.29%
		Mr. Rajneesh Bansal, ED *	-38.24%
		Mr. Dharam Pal Sharma, Whole Time Director	21.16%
		Mr. Tilak Raj Khepar, CFO	04.61%
		Mr. Hardam Singh, Company Secretary	14.84%
		* The change took place due to decrease in commission, which is paid on the basis of profits. Otherwise, the rate of Remuneration remained same in case of both the CMD and ED. Further, there is no CEO in the Company.	
(iii)	The percentage increase in the median remuneration of employees in the financial year.	39%	
(iv)	The number of permanent employees on the rolls of the company.	521	
(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 managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year under review was 8%. Whereas the decrease in the managerial remuneration is 29.46%. This 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. Further, the managerial remuneration is subject to overall limits laid down in the Companies Act and has decreased because of fall in the amount of Commission paid to them, which is linked with Net Profit.	

(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

SD/-
(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)

For & On Behalf of the Board

SD/-
(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

PLACE: CHANDIGARH
Date: August 13, 2018

Annexure D-4 A

Sr.No.	Information	Details	Details	Details	Details	Details
		1	2	3	4	5
1	Name of Employee	Aruna Singh	Tilak Raj Khepar	Swati Bansal	Harendar Prashar	Hardam Singh
2	Designation of the Employee	President (International Money Transfer)	Chief Financial Officer	Senior Vice President	Country Head	Company Secretary
3	Remuneration Received (Rs)	2669107/-	2648397/-	3302746/-	2353917/-	2370517/-
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	Graduate & 15 years Experience	Graduate, AICWA, CS & 37 years Experience	Graduate & Diploma Desig. Ticketing & 20 Years Exp.	MBA & 24 years Experience	CS, MBA & 18 Years Experience
6	Date of commencement of employment	16-Mar-10	01-Dec-09	25-Oct-16	01-Mar-13	02-Jun-03
7	The age of such employee	49 years	62 years	44 Years	47 Years	43 Years
8	The last employment held by such employee before joining the company	Suntrust Bank, USA	Maxima Watches	Cockpit Travels	Centrum Direct Limited	Eider Infotech 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	21-Oct-68	08-Apr-55	09-Feb-73	08-Dec-70	21-Jun-74

Sr.No.	Information	Details	Details	Details	Details	Details
		6	7	8	9	10
1	Name of Employee	Ritesh Vaid	Govindrajan K	Vijay Mohan	Bhupinder Kaur	Shalini Sehgal
2	Designation of the Employee	Assistant Vice President	Assistant Vice President	Head HR & Admin	Deputy General Manager	Regional Manager
3	Remuneration Received (Rs.)	1896066/-	1415285/-	1324383/-	1468762/-	1391879/-
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	MBA,18 years Experience	Graduate & 31 years Experience	MBA .LLB & 25 Years Experience	CA & 11 years Experience	MBA & 21 years Experience
6	Date of commencement of employment	01-Oct-08	17-Feb-06	20-Aug-16	01-Jun-16	01-Sep-08
7	The age of such employee	41 Years	54 Years	51 Years	33 Years	44 Years
8	The last employment held by such employee before joining the company	Wall Street	Shiram Group Companies	Alchemist LTD.	Punjab Communications 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

	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:					
10		No	No	No	No	No
11	DOB	15-Nov-76	10-Jun-63	15-Feb-66	8-Aug-84	23-Aug-73

NOTE:

1. Gross remuneration shown above is subject to tax and comprises salary including arrears, allowances, Perquisites, leave encashment, provident fund, in terms of actual expenditure incurred by the Company and commission.
2. None of the employees mentioned above was in receipt of remuneration which in the aggregate is in excess of that drawn by the Whole-Time Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company

For & On Behalf of the Board

SD/-
(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)

For & On Behalf of the Board

SD/-
(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

PLACE: CHANDIGARH**Date: August 13, 2018**

ANNEXURE D-5 TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('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;
- (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- 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- 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 have also been complied with as 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 resolution dated 27.03.2018 to approve the payment of one-time special incentive to the Chairman-cum-Managing Director of the company over and above his existing remuneration.
2. Special resolution dated 01.11.2017 to approve the slump sale of MTSS Business of the Company in India.

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) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Chandigarh
Date : 13-08-2018

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

		in	
1	Sl. No.	1	2
2	Name of the subsidiary	Paul Merchants Finance (P) Ltd (formerly known as Paul Fincap 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	17,29,00,000	10,00,00,000
6	Reserves & surplus	39,57,96,498	(19,60,378)
7	Total assets	63,43,46,744	9,81,10,902
8	Total Liabilities	6,56,50,246	71,280
9	Investments	-	-
10	Turnover	5,21,97,153	5,49,444
11	Profit before taxation	86,31,746	(28,37,016)
12	Provision for taxation	25,03,477	(8,76,638)
13	Profit after taxation	61,28,268	(19,60,378)
14	Proposed Dividend	-	-
15	% Shareholding	77.94%	97%

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

- Names of Subsidiaries which are yet to commence operations
- 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

Rs	
Name of Associates/Joint Ventures	Horizon Remit Sdn. Bhd., Malaysia
1. Latest audited Balance Sheet Date	31-12-2017
2. Shares of Joint Venture held by the company on the year end	19.42%
No. of shares	16,93,797
Amount of Investment in Associates/Joint Venture	3,04,72,125
Extend of Holding %	19.42%
3. Description of how there is significant influence	Joint Venture
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet	24,33,656.00
6. Profit / Loss for the year ending 31-03-2018	
i. Considered in Consolidation	8,37,009
i. Not Considered in Consolidation	34,72,140

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 18 at Rs. 15.75 for one Malaysian Ringitt has been taken.

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

SD/-
(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)

For & On Behalf of the Board

SD/-
(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

PLACE: CHANDIGARH
Date: August 13, 2018

ANNEXURE D-7 TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

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 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.

OUR CSR MISSION

The mission of our CSR project 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 <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
Sh. Vigyan Arora	Independent Director, Member

3. Average net profit of the company for last three financial years :- Rs. 29,76,19,005/-
4. Prescribed CSR Expenditure (2 % of the amount as in item 2 above) :- Rs. 59,52,381/-

Rounded off to Rs. 59,53,000/-

5. Details of CSR spent during the financial year.

Total amount to be spent for the financial year; - Rs. 59,53,000/-

a. Amount actually spent during the year :- Rs. 59,67,282/-

b. Amount unspent, if any; NIL

c. 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 2017-18 (In Rs.)	Amount spent on the projects or programs Subheads: for the FY 2017-18 (1) Direct expenditure on projects or programs (2) Overheads (in Rs.)	Cumulative expenditure upto the reporting period for FY 2017-18. (In Rs.)	Amount spent: Direct or through implementing agency
1	Animal Welfare	Supply of Fodder for Cows	Local State & Distt. - Chandigarh	36000	Direct - 36000 Nil	36000	Through Implementing Agency Shri Shirdi Sai Smaj Trust, Chandigarh
2	Environment Protection	Tree Plantation	Local State Rajasthan Distt – Churu	58113	Direct - 58113 Nil	58113	Direct
3	Eradicating Hunger	Organizing Community Lunch	Local State & Distt. - Chandigarh	11000	Direct: 11,000 Overheads: Nil	11000	Through Implementing Agency Shiv Shakti Sewa Mandal, Chandigarh
4	Eradicating Hunger	Organizing Community Lunch	Local State & Distt. - Chandigarh	302200	Direct - 302200 Overheads: Nil	302200	Through Implementing Agency Shree Mata Mansa Devi Bhandara Committee, Panchkula
5	Eradicating Hunger	Organizing Community Lunch	Local State & Distt. - Chandigarh	641224	Direct - 641224 Overheads: Nil	641224	Direct
6	Making available Safe Drinking Water	Installation & Maintenance of	Local	178000	Direct - 178000	178000	Direct

		RO Water Cooler	State & Distt. - Chandigarh		Overheads: Nil		
7	Old Age Home	Setting up of an Old Age Home	Local	2500000	Direct - 2500000	2500000	Through Implementing Agency Jeevan Sandhya Foundation, Kolkatta
			State: West Bengal Distt. - Kolkatta		Overheads: Nil		
8	Promoting Education	Scholarship to Bright Students	Local	122214	Direct - 122214	122214	Direct
			State & Distt. - Chandigarh		Overheads: Nil		
9	Promoting Education	Sponsorship of 20 Girl Students	Local	432000	Direct - 432000	432000	Direct
			State & Distt. - Chandigarh		Overheads: Nil		
10	Promoting Health Care	Distributed Hearing Aid Machines	Local	264018	Direct - 264018	264018	Direct
			State - Telangana Distt. - Hyderabad		Overheads: Nil		
11	Facilities For Senior Citizens	Provision of a Vehicle for movement of Senior Citizens	Local	376836	Direct - 376836	376836	Through Implementing Agency M/s Kartar Asra Trust, Chandigarh
			State & Distt. - Chandigarh		Overheads: Nil		
12	Promoting Health Care	Maintenance of Ambulance	Local	165000	Direct - 165000	165000	Through Implementing Agency M/s Mini Sahara Welfare Club (Regd.), Tapa Mandi
			State - Punjab Distt. - Barnala		Overheads: Nil		
13	Promoting Health Care	Maintenance of Sarai at Govt Hospital	Local	335434	Direct - 335434	335434	Direct
			State & Distt. - Chandigarh		Overheads: Nil		
14	Women Empowerment	Organized a Radio Activity on Gender Equality	Local	249243	Direct - 249243	249243	Through implementing Agency D B Corp Ltd Radio Division, Chandigarh
			State & Distt. - Chandigarh		Overheads: Nil		
15	Administrative Overheads	Proportionate Salary of one employee	Local	296000	Direct - Nil	296000	Direct
			State & Distt. - Chandigarh		Overheads - 296000		

		involved in CSR activities					
	TOTAL				Direct – 5671282		
					Overheads - 296000		

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)

Sd/-
(Sandeep Bansal)
(DIN 00094391)
(Chairman CSR Committee)

For & On Behalf of the Board

For & On Behalf of the Board

SD/-
(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)

SD/-
(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

PLACE: CHANDIGARH
Date: August 13, 2018

ANNEXURE D-8 TO THE DIRECTORS' REPORT

Details of Loans			
Sr. No.	Name of Entity/Person	Amount (in Rs.)	Purpose
1.	Mrs. Usha Singla	1,90,00,000/-	Personal Loan
2	Mr. Rajinder Garg	3,00,00,000/-	Personal Loan
Details of Guarantees			
Sr. No.	Name of Entity/Person	Amount	Purpose
	No Guarantees have been issued during the Financial year 2017-18		
Details of Investments			

Sr No.	Name of Entity/Person	Amount	Purpose
	Investment in Mutual Funds	Amount (Rs)	To park surplus funds
1	DSP Black Rock Income opportunity Fund	13,63,51,918	
2	Aditya Birla Sun Life Equity Savings Fund Direct	39,80,734	
3	Aditya Birla Sunlife Pure Value Fund	13,87,641	
4	Avendus Enhanced Return Fund	3,08,29,487	
5	Axis Focused 25 Fund Direct Plan Growth	70,08,290	
6	HDFC Equity Savings Fund Direct Plan Growth	74,34,667	
7	ICICI Prudential Arbitrage Fund Monthly Dividend	2,54,70,341	
8	L&T India Value Fund-Regular Plan -Growth	2,76,031	
9	Reliance Arbitrage Advantage Fund Monthly Dividend	5,27,81,086	
10	Aditya Birla Sun Life Corporate Bond Fund	1,18,947	
11	ABSL Cash Manager Fund	2,45,65,607	
12	Birla Sun Life Floating Rate Fund Short Term Plan	5,01,45,756	
13	ICICI Prudential Liquid Direct Plan Growth	4,51,24,474	
14	ICICI Prudential Regular Savings Fund - Growth	5,08,84,551	

15	L&T Income Opportunities Fund - Regular Plan	5,09,59,827	
16	L&T Liquid Fund	7,12,914	
17	HDFC Liquid Fund	9,16,967	
18	IDFC Ultra Short Term Fund	6,11,134	
19	Ambit Alpha Fund Scheme	1,01,29,338	
20	HDFC Capital Builder Fund- Growth	3,75,132	
21	HDFC MID-CAP Opportunities Fund - Growth	1,87,935	
22	IDFC Sterling Equity Fund -Regular Plan-Growth	3,63,454	
23	8.25 MLD Debentures - IIFL Wealth Finance Limited	1,05,41,963	
	Investments in Bonds and debentures -Quoted at FVTPL		
24	7.03 % Housing and Urban Development Corporation Limited	1,24,36,918	
25	8.56 % Housing and Urban Development Corporation Limited	2,57,89,330	
26	8.48% India Infrastructure Finance Company Limited	6,10,49,453	
27	8.54% Power Finance Corporation Limited Tax Free Bonds	6,05,72,465	
28	Bonds in Rural Electrification Corporation Limited	2,31,94,689	
29	7.22% Rural Electrification Corporation Limited	1,38,43,973	
30	Zero Coupon Nabard Bonds	6,54,86,105	
31	Investments in Bonds and debentures - Unquoted at FVTPL		
32	Rural Electrification Corporation Limited -Capital Gain Bonds	50,56,815	
	Investments in Preference Shares- Quoted		To park Surplus Funds
33	7.50% Vedanta Limited	4,80,30,239	
34	6% Zee Entertainment Enterprises Limited	2,25,31,863	
	Investments in Equity- Unquoted		To park Surplus Funds

35	EBIX Money Express Private Limited- 15,77,778 shares having Face Value of Rs.10 Each	31,73,00,000	
36	Investments in Structured Entity - Unquoted		
37	Estee Advisors Private Limited -PMS	5,03,38,975	
38	India Real Estate Fund	50,00,000	
	Total (A)	1,22,17,89,018	

For & On Behalf of the Board

SD/-
(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)

For & On Behalf of the Board

SD/-
(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

PLACE: CHANDIGARH
Date: August 13, 2018

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.

SL. N	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Sat Paul Bansal-Chairman Cum Managing Director Rajneesh Bansal-Executive Director Sandeep Bansal- Non-Executive Director Sarita Rani Bansal- Non-Executive Director Dharam Pal Sharma – Whole Time Director Nita Bansal- Relative of Director Tilak Raj Khepar–Chief Financial Officer, Key Managerial Personnel Hardam Singh – Company Secretary, Key Managerial Personnel Paul Merchants Finance (P) Ltd (formerly known as Paul Fincap (P) Ltd) – Subsidiary

		<p>Company, whose Directors and Shareholders are Directors in the Company</p> <p>Paul Distributors- Related Firm, whose Sole Proprietor is also a Director in the Company</p> <p>PML Realtors (P) Ltd.- Wholly Owned Subsidiary Company of the Company and whose Directors are also Directors in the Company</p> <p>Paul E-Commerce (P) Ltd.- Group Company, whose Directors and Shareholders are Directors of the Company</p> <p>Ebix Money Express (P) Ltd – (earlier known as You First Money Express (P) Ltd) A Private Company in which Company is having Shareholding and a Director of the Company is also a Director on the Board of said Company</p>
b)	Nature of contracts/arrangements /transactions	<p>Sat Paul Bansal- Salary, Commission, Loan Consideration paid for his Property purchased by the Company, Consideration paid for acquisition of his Equity Shares in Paul Merchants Finance (P) Ltd Ltd. by the Company and Rent Paid</p> <p>Rajneesh Bansal—Salary, Commission, Consideration paid for acquisition of his Equity Shares in Paul Merchants Finance (P) Ltd by the Company and Rent Paid</p> <p>Sandeep Bansal-- Consideration paid for his Property purchased by the Company, Consideration paid for acquisition of his Equity Shares in Paul Merchants Finance (P) Ltd. by the Company and Rent Paid</p> <p>Sarita Rani Bansal-- Consideration paid for her Property purchased by the Company, Consideration paid for acquisition of her Equity Shares in Paul Merchants Finance (P) Ltd. by the Company and Rent Paid</p> <p>Dharam Pal Sharma - Salary Paid</p> <p>Nita Bansal- Rent Paid</p> <p>Tilak Raj Khepar – Salary paid</p> <p>Hardam Singh – Salary paid</p> <p>Paul Merchants Finance (P) Ltd (formerly known as Paul Fincap- (P) Ltd) - Rent Received, Rent Paid, Investment in the Equity Capital by the Company and Service Charges Paid</p> <p>Paul Distributors- Rent Paid</p> <p>PML Realtors (P) Limited- Investment in the Equity Capital by the Company and Rent Received</p> <p>Paul E-Commerce (P) Limited- Rent Received</p>

		Ebix Money Express (P) Ltd – (earlier known as You First Money Express (P) Ltd) Investment in the Equity Capital by the Company and Commission received on IMT Business
c)	Duration of the contracts/arrangements/transactions	As per Annexure AOC 2 -a
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	As per Annexure AOC 2- b
e)	Date of approval by the Board	As per Annexure AOC 2- b
f)	Amount paid as advances, if any	As per Annexure AOC 2- b

Annexure – AOC 2 – a

Sat Paul Bansal (Chairman Cum Managing Director)	Salary & Commission Paid	Duration of Contract (Tenure From 01.04.2014 to 31.03.2019)	Amount paid during the FY Rs 1,44,00,000/- as Salary and Rs. 18,86,458/- as Commission
	Rent Paid		
	Property	Duration of Contract	Amount paid during the FY
	Kothi No. 749, Sector 8, Chandigarh	01/04/2015 - 31/03/2018	2,360/-
	Portion on 3 rd & 4 th Floor of Plot No. 161, Industrial Area, Chandigarh	01/06/2017- 30/06/2018	66,800/-
	Consideration paid for Kothi No. 749, Sector 8-B, Chandigarh purchased by the Company		
	Particulars	Duration of Contract	Amount paid during the FY
	Purchase 50% share of the freehold residential Kothi No. 749, Sector 8-B, Chandigarh by the Company	One time Transaction	Rs. 7,50,00,000/-
	Acquisition of Equity Shares of Paul Merchants Finance (P) Ltd. by the Company		
Rajneesh Bansal (Executive Director)	Particulars	Duration of Contract	Amount paid during the FY
	Acquisition of 440510 Equity Shares of Paul Merchants Finance (P) Ltd. from Mr. Sat Paul Bansal by the Company @ Rs. 40.92/- per share	One time Transaction	Rs. 1,80,25,669/-
	Salary, Rent Free Accommodation & Commission Paid	Duration of Contract (Tenure From 01.04.2015 to – 31.03.2020)	Amount paid during the FY Rs. 42,00,000/- as Salary, Rent Free Accommodation valuing Rs. 25,24,230/- and Rs.

			18,86,458/- as Commission
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	Rent Paid		
	Property	Duration of Contract	Amount paid during the FY
	Shops at Jalandhar	01/04/2016-31/03/2019	Rs. 4,08,144/-
	Shops at Dharamshala	01/04/2017-31/03/2020	Rs. 7,55,832/-
	Guest House at Vill. Kansal	01/04/2016-31/03/2019	Rs. 4,08,144/-
	Plot in Kansal	01/09/2016-31/08/2019	Rs. 2,32,381/-
	Flat in Kasauli	01/09/2016-31/08/2019	Rs. 1,25,600/-
	Portion on 3 rd & 4 th Floor of Plot No. 161, Industrial Area, Chandigarh	01/06/2017- 30/06/2018	Rs. 23,66,800/-
	Acquisition of Equity Shares of Paul Merchants Finance (P) Ltd. by the Company		
	Particulars	Duration of Contract	Amount
	Acquisition of 440510 Equity Shares of Paul Merchants Finance (P) Ltd. by the Company @ Rs. 40.92/- per share	One time Transaction	Rs. 1,80,25,669/-
Sandeep Bansal (Director)	Rent Paid		
	Property	Duration of Contract	Amount paid during the FY
	Guest House at Vill. Kansal	01/04/2016-31/03/2019	Rs. 4,08,144/-
	Plot in Kansal	01/09/2016-31/08/2019	Rs. 2,32,381/-
	Kothi No. 749, Sector 8, Chandigarh	01/04/2015- 31/03/2018	Rs. 3,06,180/-
	Portion on 3 rd & 4 th Floor of Plot No. 161, Industrial Area, Chandigarh	01/06/2017- 30/06/2018	Rs. 23,66,800/-
	Consideration paid for Kothi No. 749, Sector 8-B, Chandigarh purchased by the Company		
	Particulars	Duration of Contract	Amount

	Purchase 25% share of the freehold residential Kothi No. 749, Sector 8-B, Chandigarh by the Company	One time Transaction	Rs. 3,75,00,000/-
Acquisition of Equity Shares of Paul Merchants Finance (P) Ltd. by the Company			
	Particulars	Duration of Contract	Amount
	Acquisition of 23888 Equity Shares of Paul Merchants Finance (P) Ltd. From Mr. Sandeep Bansal by the Company @ Rs. 40.92/- per share	One time Transaction	Rs. 9,77,497/-

Sarita Rani Bansal (Director)	Rent Paid		
	Property	Duration of Contract	Amount paid during the FY
	Kothi No. 749, Sector 8, Chandigarh	01/04/2015- 31/03/2018	Rs. 3,06,180/-
	Flat at Mohali	01/10/2016 to 31/08/2017 and renewed thereafter from 01/09/2017 to 31/08/2018	Rs. 10,84,930/-
	Portion on 3 rd & 4 th Floor of Plot No. 161, Industrial Area, Chandigarh	01/06/2017- 30/06/2018	Rs. 23,66,800/-
	Consideration paid for Kothi No. 749, Sector 8-B, Chandigarh purchased by the Company		
	Particulars	Duration of Contract	Amount paid during the FY
	Purchase 25% share of the freehold residential Kothi No. 749, Sector 8-B, Chandigarh by the Company	One Time Transaction	Rs. 3,75,00,000/-
	Acquisition of Equity Shares of Paul Merchants Finance (P) Ltd. by the Company		
	Particulars	Duration of Contract	Amount paid during the FY

	Acquisition of 440510 Equity Shares of Paul Merchants Finance (P) Ltd. from Mrs Sarita Rani Bansal by the Company @ Rs. 40.92/- per share	One Time Transaction	Rs. 1,80,25,669/-
Dharam Pal Sharma (Whole Time Director)	Particulars Salary, Incentive & Performance Bonus Paid	Duration of Contract (Tenure From 09/11/2015 to 31/03/2020)	Amount paid during the FY Rs. 7,62,307/-
Nita Bansal (Relative of Director)	Rent Paid		
	Property	Duration of Contract	Amount paid during the FY
	Flat at Mohali	01/11/2016 to 31/08/2017 and renewed thereafter from 01/09/2017 to 31/08/2018	Rs.11,54,930/-
	Particulars	Duration of Contract	Amount paid during the FY
Tilak Raj Khepar (Chief Financial Officer)	Salary, Incentive & Performance Bonus Paid	Tenure (No fixed tenure)	Amount paid during the FY Rs. 26,49,258/-.
Hardam Singh (Company Secretary)	Salary, Incentive & Performance Bonus Paid	Tenure (No fixed tenure)	Amount paid during the FY Rs. 23,69,829/-.
Paul Fincap (P) Ltd. (Group Company)	Rent Paid		
	Property	Duration of Contract	Amount paid during the FY
	Shop at Zirakpur	01/11/2015 to 31/10/2018	Rs. 6,69,600/-
	Shop at Ambala	01/07/2016 to 30/06/2019	Rs. 1,24,500/-
	Shop at Karnal	01/03/2018 to 31/12/2026	Rs. 22,500/-
	Shop at Kurukshetra	01/03/2018 to 31/12/2020	Rs. 9000/-
	Rent Received		

	Property	Duration of Contract	Amount paid during the FY
	A portion on Ground Floor of SCO 829-830, Sector 22-A, Chandigarh	15/09/2016 to 14/09/2019	Rs. 5,10,888/-
	Shop at Mohali	01/12/2014 to 30/11/2017 and automatically renewed thereafter for further term of 3 years	Rs. 3,01,764/-
	Shop At Phagwara	01/04/2016 to 31/03/2019	Rs. 1,83,040/-
	Shop At Nawashahar	01/08/2016 to 31/07/2019	Rs. 2,76,000/-
	Shop At Amritsar	01/01/2017 to 31/12/2019	Rs. 2,55,225/-
	Shop At Khanna	01/11/2016 to 31/10/2019	Rs. 1,50,060/-
	Shop At Bathinda	01/04/2016 to 31/03/2019	Rs.1,56,975/-
	Shop At Ludhiana	01/06/2017 to 31/05/2020	Rs. 3,50,000/-
	Shop At Jalandhar	15/02/2018 to 14/02/2021	Rs. 45,000/-
	Shop At Barnala	01/03/2018 to 28/02/2021	Rs. 15,000/-
	Service Charges		
	Property	Duration of Contract	Amount paid during the FY
	Service Charges	16/11/2015 till Termination by either party	Rs. 22,29,025/-
	Investment in Equity Capital of Paul Merchants Finance (P) Ltd by the Company		
	Particulars	Duration of Contract	Amount paid during the FY
	Investment in Equity Capital of Paul Merchants Finance (P) Ltd	One Time Contract	Rs. 4,63,62,360/-
	Investment in Equity Capital of Paul Merchants Finance (P) Ltd	One Time Contract	Rs. 15,00,00,444/-
	Investment in Equity Capital of Paul Merchants Finance (P) Ltd	One Time Contract	Rs. 29,99,96,796/-
Paul Distributors (Related Firm)	Rent Paid		
	Property	Duration of Contract	Amount paid during the FY
	SCO 12, Sector 20, Chandigarh	01/04/2016 to 31/08/2017. And renewed thereafter from 01/09/2017 to 31/08/2018	Rs. 36,40,700/-

PML Realtors (Pvt.) Ltd. (Group Company)	Rent Received		
	Property	Duration of Contract	Amount paid during the FY
	A portion on 2 nd Floor, SCO 827-828, Sector 22-A, Chandigarh	18/12/2017 to 17/12/2020	Rs. 41,419/-
	Investment in Equity Capital of PML Realtors Pvt. Ltd. by the Company		
	Particulars	Duration of Contract	Amount
	Acquisition of 9700000 Equity Shares @ Rs. 10/- per share of the PML Realtors Pvt. Ltd.	One Time Transaction	Rs. 9,70,00,000/-
Paul E-Commerce (Pvt.) Limited (Group Company)	Rent Received		
	Property	Duration of Contract	Amount paid during the FY
	Unit No. 303, Kanakia Zillion, Andheri, Mumbai	01/10/2017 to 30/09/2018	Rs. 2,54,238/-
	Half Basement of C-21, Pamposh Enclave, New Delhi	01/10/2017 to 30/09/2018	Rs. 1,27,122/-

EBIX MONEY EXPRESS PVT. LTD. (earlier known as You First Money Express (P) Ltd)	Commission Received		
	Particulars	Duration of Contract	Amount paid during the FY
	Commission received for IMT Services	01-01-2018 till termination	Rs. 30,27,919.39/-
	Investment in Equity Capital of EBIX MONEY EXPRESS PVT. LTD. by the Company		
	Particulars	Duration of Contract	Amount paid during the FY
	Acquisition of 1577778 Equity Shares of EBIX MONEY EXPRESS PVT. LTD. by the Company @ Rs. 201.10/- per share	One Time Transaction	Rs. 31,73,00,000/-

Annexure – AOC 2 – b

SAT PAUL BANSAL (Chairman Cum Managing Director)

Nature of Contracts/Arrangements/Transactions	Salary & Commission
Salient Terms of contracts or arrangements or Transaction including value, if any	Salary is payable per month Commission @ 2% of the Net Profits is payable at the end of the FY on recommendation of the Nomination & Remuneration Committee Annual Value of the arrangement is Rs. 1,62,86,458/- including Commission
Date of Approval by the Board	11.02.2015
Amount paid as Advances, if any	Nil
Nature of Transaction	ACQUISITION OF THE EQUITY SHARES OF PAUL FINCAP (PVT.) LTD. BY THE COMPANY
Salient features of contracts or arrangements or Transaction including value, if any	No. of Shares acquired by the Company: 440510 Type of Share : Equity Share Value per share: Rs. 40.92/- Total Amount Paid: Rs. 1,80,25,669/-
Date of Approval by the Board	14.11.2017
Amount paid as Advances, if any	The Sale consideration for the shares was paid in advance before Transfer of the shares
Nature of Contracts/Arrangements/Transactions	PURCHASE OF KOTHI NO. 749, SECTOR 8-B, CHANDIGARH BY THE COMPANY
Salient Terms of contracts or arrangements or Transaction including value, if any	Total Price of the Property: Rs. 15,00,00,000/- Share in Property: 50% Share Proportionate Amount paid: Rs. 7,50,00,000/-

Date of Approval by the Board	21.09.2017				
Amount paid as Advances, if any	Rs. 7,50,00,000/- (The Sale consideration for purchase of House was paid in advance before execution of Sale Deed)				
Nature of Transaction	Rent Paid				
Salient features of contracts or arrangements or Transaction including value, if any, Date of Approval by the Board and Amount paid as Advances, if any					
Property	Rate of Rent	Annual Increase	Local Levies	Date of approval by Board	Amount paid as Advances, if any
Kothi No. 749, Sector 8, Chandigarh	Rs. 87,480/- per month from 01.04.2017 to 30.10.2017	8%	Utility bills payable by the Lessee. Local Levies and other Taxes payable by the Lessors.	11.02.2015	Rent is paid in advance on monthly basis.
Portion on 3 rd & 4 th Floor of Plot No. 161, Industrial Area, Phase-II, Chandigarh	Rs. 2,36,680/- per month from 01.06.2017 to 31.05.2018	NA	Utility bills, Local Levies and other Taxes to be paid by the Lessee on actual usage/prop ortion basis	25.05.2017	Rent is paid in advance on monthly basis.

RAJNEESH BANSAL (Executive Director)

Nature of Transaction	Salary & Commission
Salient features of contracts or arrangements or Transaction including value, if any	Salary is payable per month Commission @ 2% of the Net Profits is payable at the end of the FY on recommendation of the Nomination & Remuneration Committee Annual Value of the arrangement is Rs. 86,10,688/- including Commission
Date of Approval by the Board	11.02.2016

Amount paid as Advances, if any	Nil				
Nature of Transaction	ACQUISITION OF THE EQUITY SHARES OF PAUL FINCAP (PVT.) LTD. BY THE COMPANY				
Salient features of contracts or arrangements or Transaction including value, if any	No. of Shares acquired by the Company: 440510 Type of Share : Equity Share Value per share: Rs. 40.92/- Total Amount Paid: Rs. 1,80,25,669/-				
Date of Approval by the Board	14.11.2017				
Amount paid as Advances, if any	The Sale consideration for the shares was paid in advance before Transfer of the shares				
Nature of Transaction	Rent Paid				
Salient features of contracts or arrangements or Transaction including value, if any					
Property	Rate of Rent	Annual Increase	Local Levies	Date of approval by Board	Amount paid as Advances, if any
Shops at Jalandhar	Rs. 34,012/- per month from 01.04.2017 to 31.03.2018	8%	Payable by the Lessee.	12.02.2013	Rent is paid in advance on monthly basis.
Shops at Dharamshala	Rs. 62,986/- per month from 01.04.2017 to 31.03.2018	8%	Payable by the Lessee.	07.02.2014	Rent is paid in advance on monthly basis.
Guest House at village Kansal	Rs. 34,012/- per month from 01.04.2017 to 31.03.2018	8%	Payable by the Lessee.	26.02.2012	Rent is paid in advance on monthly basis.
Plot in Kansal	Rs. 18,504/- per month from 01.04.2017 to 31.08.2017 and Rs. 19,980/- per month from 01.09.2017 to 31.03.2018	8%	Payable by the Lessee.	11.08.2016	Rent is paid in advance on monthly basis.

Flat in Kasauli	Rs. 10,000/- per month from 01.04.2017 to 31.08.2017 and Rs.10,800/- per month from 01.09.2017 to 31.03.2018	8%	Payable by the Lessee.	11.08.2016	Rent is paid in advance on monthly basis.
Portion on 3 rd & 4 th Floor of Plot No. 161, Industrial Area, Phase-II, Chandigarh	Rs. 2,36,680/- per month from 01.06.2017 to 31.03.2018	NA	Utility bills, Local Levies and other Taxes to be paid by the Lessee on actual usage/portion basis	25.05.2017	Rent is paid in advance on monthly basis.

SANDEEP BANSAL (Non- Executive Director)

Nature of Contracts/Arrangements/Transactions	PURCHASE OF KOTHI NO. 749, SECTOR 8-B, CHANDIGARH BY THE COMPANY
Salient Terms of contracts or arrangements or Transaction including value, if any	Total Price of the Property: Rs. 15,00,00,000/- Share in Property: 25% Share Proportionate Amount paid: Rs. 3,75,00,000/-
Date of Approval by the Board	21.09.2017
Amount paid as Advances, if any	Rs. 3,75,00,000/-. (The Sale consideration for purchase of House was paid in advance before execution of Sale Deed)
Nature of Transaction	ACQUISITION OF THE EQUITY SHARES OF PAUL FINCAP (PVT.) LTD. BY THE COMPANY
Salient features of contracts or arrangements or Transaction including value, if any	No. of Shares acquired by the Company: 23888 Type of Share : Equity Share Value per share: Rs. 40.92/- Total Amount Paid: Rs. 9,77,497/-
Date of Approval by the Board	14.11.2017
Amount paid as Advances, if any	The Sale consideration for the shares was paid in advance before Transfer of the shares

Nature of Transaction					
Rent Paid					
Salient features of contracts or arrangements or Transaction including value, if any					
Property	Rate of Rent	Annual Increase	Local Levies	Date of approval by Board	Amount paid as Advances, if any
Guest House at village Kansal	Rs. 34,012/- per month from 01.04.2017 to 31.03.2018	8%	Payable by the Lessee.	26.02.2012	Rent is paid in advance on monthly basis.
Plot in Kansal	Rs. 18,504/- per month from 01.04.2017 to 31.08.2017 and Rs. 19,980/- per month from 01.09.2017 to 31.03.2018	8%	Payable by the Lessee.	11.08.2016	Rent is paid in advance on monthly basis.
Kothi no. 749, Sector 8, Chandigarh	Rs. 43,740/- per month from 01.04.2017 to 30.10.2017	8%	Utility bills payable by the Lessee. Local Levies and other Taxes payable by the Lessors.	11.02.2015	Rent is paid in advance on monthly basis.
Portion on 3 rd & 4 th Floor of Plot No. 161, Industrial Area, Phase-II, Chandigarh	Rs. 2,36,680/- per month from 01.06.2017 to 31.05.2018	NA	Utility bills, Local Levies and other Taxes to be paid by the Lessee on actual usage/portion basis	25.05.2017	Rent is paid in advance on monthly basis.

SARITA RANI BANSAL (Non-Executive Director)

Nature of Contracts/Arrangements/Transactions	PURCHASE OF KOTHI NO. 749, SECTOR 8-B, CHANDIGARH BY THE COMPANY
Salient Terms of contracts or arrangements or Transaction including value, if any	Total Price of the Property: Rs. 15,00,00,000/- Share in Property: 25% Share Proportionate Amount paid: Rs. 3,75,00,000/-

Date of Approval by the Board	21.09.2017				
Amount paid as Advances, if any	Rs. 3,75,00,000/-. (The Sale consideration for purchase of House was paid in advance before execution of Sale Deed)				
Nature of Transaction	ACQUISITION OF THE EQUITY SHARES OF PAUL FINCAP (PVT.) LTD. BY THE COMPANY				
Salient features of contracts or arrangements or Transaction including value, if any	No. of Shares acquired by the Company: 440510 Type of Share : Equity Share Value per share: Rs. 40.92/- Total Amount Paid: Rs. 1,80,25,669/-				
Date of Approval by the Board	14.11.2017				
Amount paid as Advances, if any	The Sale consideration for the shares was paid in advance before Transfer of the shares				
Nature of Transaction	Rent Paid				
Salient features of contracts or arrangements or Transaction including value, if any					
Property	Rate of Rent	Annual Increase	Local Levies	Date of approval by Board	Amount paid as Advances, if any
Kothi no. 749, Sector 8, Chandigarh	43740/- per month from 01.04.2017 to 30.10.2017	8%	Utility bills payable by the Lessee. Local Levies and other Taxes payable by the Lessors.	11.02.2015	Rent is paid in advance on monthly basis.
Flat at Regency Heights at Mohali	Rs. 62,986/- per month from 01.04.2017 to 31.08.2017 and Rs. 1,10,000/- from 01.09.2017 to 31.03.2018	8%	Payable by the Lessee.	08.08.2013 and Renewal Agreement approved on 23.08.2017	Rent is paid in advance on monthly basis.
Portion on 3 rd and 4 th Floor of Plot No. 161, Industrial Area, Phase-II, Chandigarh	Rs. 2,36,680/- per month from 01.06.2017 to 31.03.2018	NA	Utility bills, Local Levies and other Taxes to be paid by the Lessee on actual usage/prop or tion basis	25.05.2017	Rent is paid in advance on monthly basis.

DHARAM PAL SHARMA (Whole Time Director)

Nature of Transaction	Salary
Salient features of contracts or arrangements or Transaction including value, if any	Salary is payable per month Annual Value of the arrangement is Rs. 7,62,307/-
Date of Approval by the Board	29.05.2017
Amount paid as Advances, if any	

NITA BANSAL (Relative of Director)

Nature of Transaction	Salient features of contracts or arrangements or Transaction including value, if any				
Rent Paid	Salient features of contracts or arrangements or Transaction including value, if any				
Property	Rate of Rent	Annual Increase	Local Levies	Date of approval by Board	Amount paid as Advances, if any
Flat at Regency Heights at Mohali	Rs. 62,986/- per month from 01.04.2017 to 31.08.2017 and Rs. 1,20,000/- per month from 01.09.2017 to 31.08.2018	8%	Payable by the Lessee.	08.08.2013 and Renewal Agreement approved on 23.08.2017	Rent is paid in advance on monthly basis.

TILAK RAJ KHEPAR (Chief Financial Officer)

Nature of Transaction	Salary
Salient features of contracts or arrangements or Transaction including value, if any	Salary is payable per month Annual Value of the arrangement is Rs. 26,49,258/-
Date of Approval by the Board	29.05.2017
Amount paid as Advances, if any	NIL

HARDAM SINGH (Company Secretary)

Nature of Transaction	Salary
Salient features of contracts or arrangements or Transaction including value, if any	Salary is payable per month Annual Value of the arrangement is Rs. 23,69,829/-
Date of Approval by the Board	29.05.2017
Amount paid as Advances, if any	Nil

PAUL FINCAP PVT LTD (Group Company)

Nature of Transaction	Rent Paid				
Salient features of contracts or arrangements or Transaction including value, if any					
Property	Rate of Rent	Annual Increase	Local Levies	Date of approval by Board	Amount paid as Advances, if any
Shop at Zirakpur	Rs. 54,000/- per month from 01.04.2017 to 31.10.2017 and Rs. 58,320/- from 01.11.2017 to 31.10.2018	8%	Utility bills, Security guard, Infrastructure & local levies included in rent. (GST payable by the Lessee)	13.08.2015	Rent is paid in advance on monthly basis.
Shop at Ambala	Rs. 10,000/- per month from 01.04.2017 to 30.06.2017 and Rs. 10,500/- from 01.07.2017 to 30.06.2018	In case future rent is revised between Paul Fincap and the actual landlord, then PML will pay 50% of the rent payable by the Paul Fincap.	Utility bills, Security guard, Infrastructure & local levies included in rent. (GST payable by the Lessee)	24.05.2016	Rent is paid in advance on monthly basis.
Shop at Karnal	Rs. 22,500/- per month from 01.03.2018 to 31.12.2026	In case future rent is revised between Paul Fincap and the actual landlord, then PML will pay	50% of Utility Bills shall be paid by M/s Paul Merchants Ltd. on actual usage basis	14.02.2018	Rent is paid in advance on monthly basis.

		50% of the rent payable by the Paul Fincap.	(GST as applicable shall be paid by the Lessee)		
Shop at Kurukshetra	Rs. 9000/- per month from 01.03.2018 to 29.02.2028	In case future rent is revised between Paul Fincap and the actual landlord, then PML will pay 50% of the rent payable by the Paul Fincap.	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)	14.02.2018	Rent is paid in advance on monthly basis.

PAUL FINCAP PVT LTD (Group Company)

Nature of Transaction	Rent Received				
Salient features of contracts or arrangements or Transaction including value, if any					
Property	Rate of Rent	Annual Increase	Local Levies	Date of approval by Board	Amount paid as Advances if any
A portion on ground floor at SCO 829-830, Sector 22 A, Chandigarh	Rs. 42,574/- per month from 01.04.2017 to 31.03.2018	8%	Local levies and utility bills included in rent. (Service tax payable by the Lessee)	17.08.2012	Rent is paid in advance on monthly basis.
Shop at Mohali	Rs. 24,494/- per month from 01.04.2017 to 30.11.2017 and Rs. 26,453/- per month w.e.f. 01.12.2017	8%	Utility bills included in rent. (Service tax payable by the Lessee)	25.10.2014	Rent is paid in advance on monthly basis.
Shop at Phagwara	Rs. 14080/- per month from 01.04.2017 to 31.05.2017 and Rs. 15,488/- per month w.e.f. 01.06.2017	In case future rent is revised between PML and the actual landlord, then Paul Fincap will pay 50% of the rent payable by the PML	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be	24.05.2016	Rent is paid in advance on monthly basis.

			payable by Paul Fincap.		
Shop at Nawanshahar	Rs. 23,000/- per month from 01.04.2017 to 31.03.2018	In case future rent is revised between PML and the actual landlord, then Paul Fincap will pay 50% of the rent payable by the PML	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Fincap. Service tax payable by PML only.	24.05.2016	Rent is paid in advance on monthly basis.
Shop at Amritsar	Rs. 20,500/- per month from 01.04.2017 to 30.06.2017 and Rs. 21,525/- per month w.e.f. 01.07.2017	In case future rent is revised between PML and the actual landlord, then Paul Fincap will pay 50% of the rent payable by the PML	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Fincap. Service tax payable by PML only.	24.05.2016	Rent is paid in advance on monthly basis.
Shop at Khanna	Rs. 12,250/- per month from 01.04.2017 to 30.10.2017 and Rs. 12,862/- per month w.e.f. 01.11.2017	In case future rent is revised between PML and the actual landlord, then Paul Fincap will pay 50% of the rent payable by the PML	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Fincap. Service tax payable by PML only.	24.05.2016	Rent is paid in advance on monthly basis.
Shop at Bathinda	Rs. 11,500/- per month from 01.04.2017 to 30.04.2017 and Rs. 13,225/- per month w.e.f. 01.05.2017	In case future rent is revised between PML and the actual landlord, then Paul Fincap will pay 50% of the rent payable by the PML	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Fincap.	24.05.2016	Rent is paid in advance on monthly basis.

Shop at Ludhiana	Rs. 35,000/- per month from 01.06.2017 to 31.05.2018	In case future rent is revised between PML and the actual landlord, then Paul Fincap will pay 50% of the rent payable by the PML	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Fincap	29.05.2017	Rent is paid in advance on monthly basis.
Shop at Barnala	Rs. 15,000/- per month from 01.03.2018 to 28.02.2019	In case future rent is revised between PML and the actual landlord, then Paul Fincap will pay 50% of the rent payable by the PML	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Fincap	29.05.2017	Rent is paid in advance on monthly basis.
Shop at Jalandhar	Rs. 30,000/- per month from 15.02.2018 to 14.02.2021	In case future rent is revised between Paul Fincap and the actual landlord, then PML will pay 50% of the rent payable by the Paul Fincap.	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)	14.02.2018	Rent is paid in advance on monthly basis.

PAUL MERCHANTS FINANCE (P) LTD (FORMERLY KNOWN AS PAUL FINCAP PVT LTD)
(Subsidiary Company)

Nature of Transaction	Service charges Paid			
Salient features of contracts or arrangements or Transaction including value, if any				
Particulars of Service charges	Rate	Annual Increase	Date of approval by Board	Amount paid as Advances, if any
Service charges paid for DMT	1/3 rd of the amount of charges collected from customer	N/A	09.11.2015 & Amendment Agreement approved on 09.02.2017	As mutually agreed from time to time.
Nature of Transaction	INVESTMENT IN EQUITY CAPITAL OF PAUL FINCAP PVT. LTD. BY THE COMPANY			
Salient features of contracts or arrangements or Transaction including value, if any	No. of Shares acquired by the Company: 12130000 Type of Share : Equity Share Value per share: Rs. 40.92/- Amount of Investment: Rs. 49,63,59,600/-			
Date of Approval by the Board	09.02.2017, 14.11.2017 & 14.02.2018			
Amount paid as Advances, if any	(The Sale consideration for acquisition of shares was paid before allotment of shares)			

PML REALTORS (P) LTD. (Group Company)

Nature of Transaction	Rent Received				
Salient features of contracts or arrangements or Transaction including value, if any					
Property	Rate of Rent	Annual Increase	Local Levies	Date of approval by Board	Amount paid as Advances, if any
A portion on 2 nd floor at SCO 827-828, Sector 22 A, Chandigarh	Rs. 12,000/- per month from 18.12.2017 to 17.12.2020	8%	Will be paid by the Lessor. GST as applicable will be received from the Lessee extra.	14.11.2017	Rent is paid in advance on monthly basis.
Nature of Transaction	INVESTMENT IN EQUITY CAPITAL OF PML REALTORS (PVT.) LTD. BY THE COMPANY				
Salient features of contracts or	No. of Shares acquired: 9700000 Type of Share : Equity Share				

arrangements or Transaction including value, if any	Value per Share: Rs. 10/- Amount of Investment: Rs. 9,70,00,000/-
Date of Approval by the Board	14.11.2017
Amount paid as Advances, if any	(The Sale consideration for acquisition of shares was paid before allotment of shares)

PAUL E-COMMERCE (P) LTD. (Group Company)

Nature of Transaction	Rent Received				
Salient features of contracts or arrangements or Transaction including value, if any					
Property	Rate of Rent	Annual Increase	Local Levies	Date of approval by Board	Amount paid as Advances, if any
Unit No. 303, 3 rd Floor, Kanakia Zillion, Andheri, Mumbai	Rs. 50,000/- per month from 01.10.2017 to 30.09.2018 (GST to be borne by Lessor)	NA	All local levies & Taxes will be paid by the Lessor.	21.09.2017	Rent is paid in advance on monthly basis.
Half Basement of C-21, Pamposh Enclave, New Delhi	Rs. 25,000/- per month from 01.10.2017 to 30.09.2018 (GST to be borne by Lessor)	NA	All local levies & Taxes will be paid by the Lessor.	21.09.2017	Rent is paid in advance on monthly basis.

PAUL DISTRIBUTORS (Related Firm)

Nature of Transaction	Rent Paid				
Salient features of contracts or arrangements or Transaction including value, if any					
Property	Rate of Rent	Annual Increase	Local Levies	Date of approval by Board	Amount paid as Advances, if any
SCO 12, Sector 20, Chandigarh	2,38,140/- per month from 01.04.2017 to 31.08.2017 and Rs. 3,50,000/- from 01.09.2017 to 31.03.2018	5%	Payable by the Lessee	01.04.2010 and Renewal Agreement approved on 23.08.2017	Rent is paid in advance on monthly basis.

**EBIX MONEY EXPRESS PVT. LTD. (EARLIER KNOWN AS YOU FIRST MONEY EXPRESS
(P) LTD**

Nature of Transaction	Commission received from EBIX Money Express Pvt. Ltd. for IMT Services
Salient features of contracts or arrangements or Transaction including value, if any	Amount of Commission Paid: Rs. 30,27,919.39/-
Date of Approval by the Board	21.09.2017
Amount paid as Advances, if any	Nil
Nature of Transaction	INVESTMENT IN EQUITY CAPITAL OF EBIX MONEY EXPRESS PVT. LTD. BY THE COMPANY
Salient features of contracts or arrangements or Transaction including value, if any	No. of Shares acquired: 15,77,778 Type of Share : Equity Share Value per Share: Rs. 201.10/- Amount of Investment: Rs. 31,73,00,000/-
Date of Approval by the Board	21.09.2017
Amount paid as Advances, if any	(Sale consideration for acquisition of shares was paid in advance before allotment of shares)

For & On Behalf of the Board

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

For & On Behalf of the Board

**SD/-
(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)**

**PLACE: CHANDIGARH
Date: August 13, 2018**

ANNEXURE D-10

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Ethical values and transparency forms 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 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.

2. BOARD OF DIRECTORS

(a) Composition and category of Directors

The strength of Board was 11 (Eleven) Directors as on 31st March 2018. The Board consisted of 4 Promoter Directors and 7 non-Promoter Directors. Further, the Board consisted of One Managing Director, Two other Executive Directors, Two non-Executive non-independent Directors, and Six 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 decisions of the Board.

Apart from the sitting fees and reimbursement of traveling expenses being paid for attending Board / Committee Meetings, the non-executive Directors did not have any material pecuniary relationship or transaction with the Company during the year 2017-2018 or even after the close of Financial year upto the date of this report. However, non-executive Directors Mrs Sarita Rani Bansal and Mr. Sandeep Bansal were paid rent in respect of properties owned by them, 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 31.03.2018 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 Arora - Non Executive Independent Director
7. Mr. Dilbag Singh Sidhu - Non Executive Independent Director
8. Mr. Ajay Kumar Arora - Non Executive Independent Director
9. Mr. Krishan Lall Khetarpaul* - Non Executive Independent Director (Resigned w.e.f. 11.05.2018)
10. Mr. Arjun Pandurang Ghugal - Non Executive Independent Director
11. 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 Arora	Dilbag Singh Sidhu
CATEGORY	Executive Director	Executive	Non Executive	Non Executive	Independent & Non Executive Director	Independent & Non Executive Director
Board Meetings attended during the year	5	5	5	5	5	4
Attendance at the AGM held on 28.09.2017	YES	YES	YES	NO	YES	NO

NAME	Ajay Kumar 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	5	3	4	5	5
Attendance at the AGM held on 28.09.2017	NO	NO	NO	YES	NO

No. of Other Directorships and Committee Memberships/Chairmanships of Directors

	Directorships			Committee positions in listed and unlisted public limited Companies	
Name of Director	In listed Companies	In unlisted public limited Companies	In private limited Companies	As Chairman	As Member
Sat Paul Bansal	1	—	8	—	—
Rajneesh Bansal	1	—	9	—	1
Sandeep Bansal	1	—	10	-	1
Sarita Rani Bansal	1	—	4	—	—
Vigyan Prakash Arora	1	—	3	4	—
Dilbag Singh Sidhu	1	—	—	—	1
Ajay Kumar Arora	1	2	1	—	2
Krishan Lall Khetarpaul (Resigned w.e.f. 11.05.2018)	3	—	1	1	1
Arjun Pandurang Ghugal	1	—	—	—	—

Dharam Pal Sharma	1	–	–	–	–
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***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. The above composition and the information is as at 31.03.2018.
3. 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
4. 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.
5. 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. Only audit committee and stakeholders relationship committee are considered for the purpose of reckoning committee positions.
6. Sh. Hardam Singh, Company Secretary attended all the above Board Meetings.

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

Total 5 Board meetings were held during the period from April 1st, 2017 to March 31, 2018 on the following dates:

29.05.2017, 23.08.2017, 21.09.2017, 14.11.2017 & 14.02.2018

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

(a) Shares Held by non-executive non-independent directors of the Company:-

- Mr. Sandeep Bansal 144507 Equity Shares
- Mrs. Sarita Rani Bansal 144500 Equity Shares
- 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 or other convertible instruments in the Company either by themselves 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) FAMILIARISATION PROGRAMME

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 2017-18 have been posted under the web link <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2018/06/FP-imparted-FY-2018-19.pdf>

(h) 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 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.

3. AUDIT COMMITTEE

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) Overseeing 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.

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).

Composition of Audit Committee

As on 31.03.2018, 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 Arora	Non Executive Independent Director, Chairman
Shri Dilbag Singh Sidhu	Non Executive Independent Director, Member
Shri Ajay Kumar Arora	Non Executive Independent Director, Member

Mr. Vigyan Arora is the Chairman who has relevant accounts and Finance related expertise as well as qualification. Mr. Dilbag Singh Sidhu and Mr. Ajay Kumar 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.

Meetings of Audit Committee and attendance during the year 2017-18

5 meetings of the Audit Committee have been held during the year 2017-18 on the following dates:

25.05.2017, 22.08.2017, 21.09.2017, 13.11.2017 and 12.02.2018.

The attendance at the Audit Committee Meetings during the period from 01.04.2017 till 31.03.2018 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Vigyan Arora	Independent Director, Chairman current	5	5

Mr. Dilbag Singh Sidhu	Independent Director, Member	5	4
Mr. Ajay Kumar Arora	Independent Director, Member	5	5
Mr. Hardam Singh	Secretary	5	5

4. NOMINATION AND REMUNERATION COMMITTEE

(a) BRIEF DESCRIPTION OF TERMS OF REFERENCE

Nomination and Remuneration Committee of the Board of Directors is in place in terms of Section 178 of the Companies Act, 2013, Regulation 19 of SEBI (LODR) Regulations, 2015 and RBI Guidelines. The Committee has been formed with a view to carry out the objectives as enshrined in these respective Statutes. The terms of reference of the Nomination and Remuneration Committee include:-

- To identify persons who are qualified to become directors, Key Managerial Personnel and persons who may be appointed in Senior Management in accordance with the criteria laid down in the Companies Act, 2013, Rules framed thereunder from time to time, SEBI (LODR) Regulations, 2015 and RBI Guidelines.
- To make recommendations to the Board about appointment and removal of Directors, Key Managerial Personnel and Senior Management
- To carry out evaluation of performance of every Director, Key Managerial Personnel and persons in Senior Management.
- To formulate criteria for determining qualifications, positive attributes and independence of Directors, Key Managerial Personnel and persons in Senior Management
- To formulate and recommend to the Board a Nomination and Remuneration Policy.

COMPOSITION:-

Following was the composition of the Nomination and Remuneration Committee as on 31-03-2018:

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

During the year, 6 meetings of the Nomination and Remuneration Committee were held on:

15.04.2017, 03.06.2017, 20.07.2017, 13.10.2017, 16.01.2018 and 13.02.2018

The attendance at the Nomination and Remuneration Committee Meetings during the period from 01.04.2017 till 31.03.2018 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended

Mr. Dilbag Singh Sidhu	Non Executive Independent Director, Chairman	6	6
Mr. Sandeep Bansal	Non Executive Director, Member	6	6
Mr. Vigyan Arora	Non Executive Independent Director, Member	6	6
Mr. Hardam Singh	Secretary	6	6

(b) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

Criteria for evaluation of the Independent Directors;

- Experience and ability to contribute to the decision making process
- Problem solving approach and guidance to the Management
- Attendance and Participation in the Meetings
- Personal competencies and contribution to strategy formulation
- Contribution towards statutory compliances, monitoring of controls and Corporate Governance

(c) 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

- 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 his share in one property in Chandigarh was purchased by the Company. 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.
- Mrs. Sarita Rani Bansal:-** No Sitting fee was paid to her. Rent was paid to her during the year under review in respect of some properties, which are belonging to her and which are used by the Company in its ordinary course of business. Further her share in one property in Chandigarh was purchased by the Company. 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 Mrs. Sarita Rani Bansal with the Company.

Non-Executive Independent Directors

A sum of Rs. 5,04,250/- has been paid to Non Executive Independent Directors as their sitting fee during the year 2017-18 as per details given below:

NAME	SITTING FEE (In Rs.)
Sh. Dilbag Singh Sidhu	80000
Sh. Vigyan Arora	53750
Sh. Ajay arora	117000
Sh. Arjun Pandurang Ghugal	122500
Sh. Krishan Lall Khetarpaul (resigned w.e.f. 11.05.2018)	72500
Sh. Uma Shankar Paliwal	58500
Total	504250/-

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 are given below:

NAME	No. of Shares
Sh. Sandeep Bansal	144507
Smt. Sarita Rani Bansal	144500
Sh. Dilbag Singh Sidhu	NII
Sh. Vigyan Arora	NII
Sh. Ajay Kumar Arora	NII
Sh. Krishan Lall Khetarpaul (Resigned on 11-05-2018)	NII
Sh. Arjun Pandurang Ghugal	Nil
Sh. Uma Shankar Paliwal	Nil
Total	289007

(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 of Executive Directors**

The remuneration of the executive directors is recommended by the Nomination and Remuneration Committee, reviewed by Audit Committee and 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). The Company pays remuneration by way of salary or as a %age of Net Profits or by way of both.

- (d) Remuneration paid to the past/present executive directors of the company during 2017- 2018 is as under:-

Mr. Sat Paul Bansal, Chairman cum Managing Director

Salary:- Remuneration of Rs. 1.44 crores had been paid to him @ Rs. 12.00 Lacs per month in the form of salary during the Financial Year 2017-18.

Commission:- Commission of Rs. 18,86,458/- for the Financial Year 2017-18 has been paid on the recommendation of Nomination and Remuneration committee based upon his performance.

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

Contract 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 paid to the Chairman cum Managing Director was performance linked as the same was based upon the profits of the Company.

No Stock Options has been given to him. He holds 201100 (19.56%) equity shares in the Company.

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.

Apart from Salary, rent was paid to Mr. Sat Paul 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. Further, his share in one Property in Chandigarh was purchased by the

Company. 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. Sat Paul Bansal with the Company.

Mr. Rajneesh Bansal, Executive Director

Salary:- Remuneration of Rs. 42.00 Lacs had been paid to him @ Rs. 3.50 Lacs per month in the form of salary during the Financial Year 2017-18. In addition, rent free accommodation has also been provided to him by the Company valuing at Rs. 25,24,230/- during the year under review.

Commission:- Commission of Rs. 18,86,458/- for the Financial Year 2017-18 has been paid on the recommendation of Nomination and Remuneration Committee based upon his performance.

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

Contract 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 paid to the Executive Director was performance linked as the same was 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. 6,62,377/- has been paid to him during the Financial Year 2017-18.

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

Benefits:- Performance Bonus of Rs. 17,913/- 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

Contract 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:-

Incentive of Rs. 82,017/- has been paid to him during the year under review, which is performance linked.

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)

Salary:- Salary amounting to Rs. 22,96,426/- has been paid to him during the Financial Year 2017-18.

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

Benefits:- Performance Bonus of Rs. 73,864/- 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

Contract 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:-

Incentive of Rs. 2,78,968/- has been paid to him during the year under review, which is performance linked.

The performance of the Chief Financial Controller 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. Tilak Raj Khepar in this regard is NIL.

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

Mr. Hardam Singh (Company Secretary)

Salary:- Salary amounting to Rs. 17,75,517/- has been paid to him during the Financial Year 2017-18.

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

Benefits:- Performance Bonus of Rs. 54,312/- 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

Contract 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:-

Incentive of Rs. 5,40,000/- 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.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Board has been constituted to look into complaints like transfer of shares, non-receipt of Share Certificates, non-receipt of Balance Sheet, non-receipt of Annual Report etc.

(a) **Head of the Committee:-**

The committee is headed by Sh. Vigyan 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 during the year under review.

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

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

(d) **Composition:**

Following is the composition of the Stakeholders' Relationship Committee as on 31.03.2018:

Sh. Vigyan Arora	Non Executive Director 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 under review, 5 meetings of the Stakeholders' Relationship Committee were held on:

05.06.2017, 21.07.2017, 12.10.2017, 05.12.2017 and 16.01.2018

The attendance at the Stakeholders' Relationship Committee Meetings during the period from 01.04.2017 till 31.03.2018 is given below:

Name	Title	No. of Meetings	No. of Meetings attended
------	-------	-----------------	--------------------------

Mr. Vigyan Arora	Independent Director, Chairman	5	5
Mr. Sandeep Bansal	Non Executive Director, Member	5	5
Mr. Rajneesh Bansal	Executive Director, Member	5	5
Mr. Hardam Singh	Secretary	5	5

6. **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, 12 meetings of the Executive Committee were held on:

15.04.2017, 08.05.2017, 01.06.2017, 03.07.2017, 01.08.2017, 04.09.2017, 10.10.2017, 02.11.2017, 29.11.2017, 18.12.2017, 10.01.2018 & 16.02.2018

The attendance at the Executive Committee Meetings during the period from 01.04.2017 till 31.03.2018 is given below:

Name	Title	No. Meetings held	No. of Meetings attended
Mr. Sat Paul Bansal	CMD, Chairman	12	12
Mr. Sandeep Bansal	Non Executive Non Independent Director, Member	12	12
Mr. Rajneesh Bansal	Executive Director, Member	12	12
Mr. Hardam Singh	Secretary	12	12

7. **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 31.03.2018:

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

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

03.06.2017, 20.07.2017, 11.10.2017 and 12.01.2018

The attendance at the CSR Committee Meetings during the period from 01.04.2017 till 31.03.2018 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 Arora	Independent Director, Member	4	4
Mr. Hardam Singh	Secretary	4	4

The Board has approved the following 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 wellbeing 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 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.

8. GENERAL BODY MEETINGS

(a) Location and time of Annual General Meetings held in the last 3 years:

YEAR	2015	2016	2017
Type of Meeting	AGM	AGM	AGM
Date	28.09.2015	28.09.2016	28.09.2017
Venue	Shudh Banquet, 25, Paschim Vihar Extension, Main Rohtak Road, Opp. Metro Pillar No. 195, New Delhi-110063	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
Time	11.30 AM	12.00 Noon	12.00 Noon
Special Resolution passed	YES	YES	YES

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

(ii) Details of the Special Resolutions passed in the last three Annual General Meetings

Year 2015

- To re-structure the remuneration of Mr. Sat Paul Bansal, Chairman Cum Managing Director of the Company.
- To re-appoint Mr. Rajneesh Bansal as Executive Director of the Company for a period of 5 years commencing from 01-04-2015 and ending with 31-03-2020.

3. To re-structure the remuneration of Mrs. Sarita Rani Bansal, Whole Time Director of the Company.
4. To increase the remuneration of Mr. Surinder Singh Bedi, Whole Time Director of the company

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.

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

1. To approve the Slump Sale of MTSS Business of the Company in India.

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

2. To approve the Payment of One Time Special Incentive of the Chairman Cum Managing Director of the Company.

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

- (d) Person who conducted the postal ballot exercise –Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (FCS No. 5901 and CP No. 5870)

(e) Whether any Specials 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, 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:- Not Applicable.

9. 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) and Jansatta (Hindi).

(c) Any website, where displayed:-

The Quarterly 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.

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.

10. GENERAL SHAREHOLDER INFORMATION

AGM : Date, time	Thursday, the 27 th day of September, 2018 at 12.00 Noon.
AGM venue	Forever Banquet, 20, Paschim Vihar Extn., Pillar No. 193, Opp. Ordinance Depot, New Delhi- 110063
Financial year	April 1 st , 2017 to March 31 st , 2018
Date of Book closure	20-09-2018 to 27-09-2018 (both days inclusive)
Dividend Payment Date	N/A
Listing on Stock Exchanges	BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001. Listing Fee for the year 2018-19 has already been paid to BSE.
ISIN	INE 291 E 01019

Stock Code	539113																																																																																								
Market Price Data: High, Low during each month in last financial year	<table><tr><th colspan="3">PAUL MERCHANTS LIMITED</th></tr><tr><th>Month</th><th>High Price</th><th>Low Price</th></tr><tr><td>Apr-17</td><td>4479.45</td><td>3400.05</td></tr><tr><td>May-17</td><td>4229.90</td><td>3507</td></tr><tr><td>Jun-17</td><td>3854</td><td>3300</td></tr><tr><td>Jul-17</td><td>4999.90</td><td>3411</td></tr><tr><td>Aug-17</td><td>4488</td><td>3780.35</td></tr><tr><td>Sep-17</td><td>5250</td><td>3905</td></tr><tr><td>Oct-17</td><td>4479</td><td>4004</td></tr><tr><td>Nov-17</td><td>5106.30</td><td>4013.65</td></tr><tr><td>Dec-17</td><td>4569.90</td><td>3900</td></tr><tr><td>Jan-18</td><td>4790</td><td>4105</td></tr><tr><td>Feb-18</td><td>6195</td><td>4000</td></tr><tr><td>Mar-18</td><td>5548.85</td><td>4690</td></tr></table>					PAUL MERCHANTS LIMITED			Month	High Price	Low Price	Apr-17	4479.45	3400.05	May-17	4229.90	3507	Jun-17	3854	3300	Jul-17	4999.90	3411	Aug-17	4488	3780.35	Sep-17	5250	3905	Oct-17	4479	4004	Nov-17	5106.30	4013.65	Dec-17	4569.90	3900	Jan-18	4790	4105	Feb-18	6195	4000	Mar-18	5548.85	4690																																										
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Performance in comparison to broad- based indices such as BSE Sensex, CRISIL index etc.	<table><tr><th colspan="3">PAUL MERCHANTS LIMITED</th><th colspan="3">SENSEX</th></tr><tr><th>Month</th><th>High Price</th><th>Low Price</th><th>Month</th><th>High Price</th><th>Low Price</th></tr><tr><td>Apr-17</td><td>4479.45</td><td>3400.05</td><td>Apr-17</td><td>30184.22</td><td>29241.48</td></tr><tr><td>May-17</td><td>4229.90</td><td>3507</td><td>May-17</td><td>31255.28</td><td>29804.12</td></tr><tr><td>Jun-17</td><td>3854</td><td>3300</td><td>Jun-17</td><td>31522.87</td><td>30680.66</td></tr><tr><td>Jul-17</td><td>4999.90</td><td>3411</td><td>Jul-17</td><td>32672.66</td><td>31017.11</td></tr><tr><td>Aug-17</td><td>4488</td><td>3780.35</td><td>Aug-17</td><td>32686.48</td><td>31128.02</td></tr><tr><td>Sep-17</td><td>5250</td><td>3905</td><td>Sep-17</td><td>32524.11</td><td>31081.83</td></tr><tr><td>Oct-17</td><td>4479</td><td>4004</td><td>Oct-17</td><td>33340.17</td><td>31440.48</td></tr><tr><td>Nov-17</td><td>5106.30</td><td>4013.65</td><td>Nov-17</td><td>33865.95</td><td>32683.59</td></tr><tr><td>Dec-17</td><td>4569.90</td><td>3900</td><td>Dec-17</td><td>34137.97</td><td>32565.16</td></tr><tr><td>Jan-18</td><td>4790</td><td>4105</td><td>Jan-18</td><td>36443.98</td><td>33703.37</td></tr><tr><td>Feb-18</td><td>6195</td><td>4000</td><td>Feb-18</td><td>36256.83</td><td>33482.81</td></tr><tr><td>Mar-18</td><td>5548.85</td><td>4690</td><td>Mar-18</td><td>34278.63</td><td>32483.84</td></tr></table>					PAUL MERCHANTS LIMITED			SENSEX			Month	High Price	Low Price	Month	High Price	Low Price	Apr-17	4479.45	3400.05	Apr-17	30184.22	29241.48	May-17	4229.90	3507	May-17	31255.28	29804.12	Jun-17	3854	3300	Jun-17	31522.87	30680.66	Jul-17	4999.90	3411	Jul-17	32672.66	31017.11	Aug-17	4488	3780.35	Aug-17	32686.48	31128.02	Sep-17	5250	3905	Sep-17	32524.11	31081.83	Oct-17	4479	4004	Oct-17	33340.17	31440.48	Nov-17	5106.30	4013.65	Nov-17	33865.95	32683.59	Dec-17	4569.90	3900	Dec-17	34137.97	32565.16	Jan-18	4790	4105	Jan-18	36443.98	33703.37	Feb-18	6195	4000	Feb-18	36256.83	33482.81	Mar-18	5548.85	4690	Mar-18	34278.63	32483.84
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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	
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)
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 is undertaken by Common Registrar M/s Alankit Assignments Limited, New Delhi. Share Transfers are processed and approved by them and taken note of by Share Transfer Committee, i.e. Stakeholders' Relationship Committee. The Registrar ensures 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 is also reviewed by the Stakeholders' Relationship Committee on regular basis. 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>Presently, the share transfers, which are received in physical form, are 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 05-12-2018 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 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 Exchanges</p>
Distribution of Shareholding	As per <u>Annexure- G-1</u>
Dematerialization of shares and liquidity	Liquidity:- A total number of 9,87,986 Equity Shares of the Company constituting over 96.11% of the issued, subscribed and paid-up share capital were held in dematerialised form as on March 31, 2018 and as such, there is sufficient liquidity in the stock.

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
Commodity price risk or foreign exchange risk and hedging activities	The Company is not a sizable user of commodities, hence exposes it moderately to the price risk on account of procurement of commodities. 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.
Plant Locations	The Company is in service Industry and had 98 own offices as on 31-03-2018. The list of the said offices is appended to this Annual Report in the beginning.
Address for correspondence	The Company Secretary, PML House, SCO 829-830, Sector 22-A, Chandigarh – 160022 Ph. 0172-5025090, Fax 0172-5041713 email: cs@paulmerchants.net

ANNEXURE – G-1

(a) **Distribution of Shareholding (No. of Shares) as on March 31, 2018 is as under :-**

No. of Shares	No. Shareholders	% of Shareholders	Total No. of Shares	% of Holding
1 – 100	877	87.438	8291	0.807
101 – 500	60	5.982	17675	1.719
501 – 1000	15	1.496	13107	1.275
1001 – 5000	41	4.088	114379	11.126
5001 – 10000	2	0.199	11240	1.093
10001 – 20000	0	0	0	0
20001 – 30000	1	0.1	29000	2.821
30001 - 40000	0	0	0	0
40001 – 50000	2	0.199	92100	8.959
50001 – 100000	0	0	0	0
100001 - 500000	5	0.499	742208	72.199
500001 to Above	0	0	0	0

Shareholding Pattern as on 31st March, 2018:-

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	1424
Indian Public	278980
NRIs/OCBs	148
Trust	0
Total	1028000

OTHER DISCLOSURES

(a) **Materially Significant Related Party Transactions**

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	<ul style="list-style-type: none"> Loans and advances in the nature of loans to subsidiaries by name and amount.
		<div>NIL</div> <div>NIL</div>

		<ul style="list-style-type: none"> •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 	NIL
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 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 	NIL as the Company has no Holding Company NIL 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, 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 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/2017/02/Related-Party-Transaction-Policy.pdf>.

(b) **Details of Non-Compliances:**

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**

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/2017/07/Vigil-Mechanism-Policy.pdf>.

(d) **Compliance With Mandatory Requirements Of SEBI (LODR) Regulations, 2015**

The Company has complied with all the mandatory requirements of the Listing Regulations including compliances mentioned in Part A to Part D of Schedule II.

Adoption of Non-Mandatory Requirements 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 Results in Newspapers (English and Hindi) having wide circulation and the results are also displayed on the website of the Company and the BSE Ltd., the Company does not send any declaration of half yearly performance to the 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 2017-18.

4. **Separate posts of Chairman and Chief Executive Officer (CEO)**

At the moment, the post of Chairman and Managing Director is occupied by single person and there is no post of Chief Executive Officer in the Company.

5. **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.

(a) web link where policy for determining 'material' subsidiaries is disclosed.

<http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2016/04/Material-Subsidiary-Policy.pdf>

- (b) web link where policy on dealing with related party transactions is disclosed:-
<http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2017/02/Related-Party-Transaction-Policy.pdf>
- (c) Disclosure of commodity price risks and commodity hedging activities

The Company is not a sizable user of commodities, hence exposes it moderately to the price risk on account of procurement of commodities. As such, no commodity hedging activities are undertaken by the Company. 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.

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

It is confirmed 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. The Company has made all the disclosures on its website www.paulmerchants.net as required under regulation 46 (2) of SEBI (LODR) Regulations.

14. 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.

15. 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 and the same is available on the Website of the Company at <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2017/07/PML-Code-of-Conduct-2015-Amended-11.08.2016.pdf>. 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/2015/12/PML-Code-of-Fair-Disclosure.pdf>. These Codes lay down guidelines vide which it advises the designated employees 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.

16. Material Subsidiaries

The Company does not have any material subsidiary as defined under Regulation 16 (1) (c) of SEBI (LODR) Regulations, 2015. Web link where policy for determining 'material' subsidiaries is disclosed: <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2016/04/Material-Subsidiary-Policy.pdf>

17. Disclosure Regarding Appointment Or Re-appointment Of Directors:

Mr. Rajneesh Bansal (DIN 00077230) and Dharam Pal Sharma (DIN 7284332), Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Their brief Resumes are already given as part of the Notice of Annual General Meeting.

18. 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, 2018. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

19. 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

20. 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.

21. 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.

D. CEO DECLARATION

The Managing Director 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 the practising company secretaries 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.

For & On Behalf of the Board

SD/-
(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)
PLACE: CHANDIGARH
Date: August 13, 2018

For & On Behalf of the Board

SD/-
(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

VIGIL MECHANISM CUM WHISTLE 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 to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

Regulation 4 (d) 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 employees 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 read with Regulation 22 (1) 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.

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 employees & Directors 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 personnel action shall be taken or recommended against an employee or Director 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 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 Clause 4(d) and 22 (1) 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."
- m. **"Improper Activity"** means to include:
 - i. Abuse of authority
 - ii. Breach of contract
 - iii. Negligence causing substantial and specific danger to public health and safety
 - iv. Manipulation of company data/records

- v. Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
- vi. Any unlawful act whether Criminal/ Civil
- vii. Pilferation of confidential/propriety 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

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
- 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 one 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 and discipline of 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 say 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 of 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 quarterly 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 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.

The above policy has been reviewed by the Audit Committee.

**Sd/-
(VIGYAN ARORA)
CHAIRMAN OF AUDIT COMMITTEE
09.08.2016**

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.
- j. 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.
- k. The Ombudsman will ensure action on the recommendations of the Whistle Committee/ Officer 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.
- l. 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.

Sd/-
(VIGYAN ARORA)
CHAIRMAN OF AUDIT COMMITTEE
09.08.2016

For & On Behalf of the Board

SD/-
(SAT PAUL BANSAL)
CHAIRMAN CUM MANAGING DIRECTOR
(DIN 00077499)

For & On Behalf of the Board

SD/-
(RAJNEESH BANSAL)
EXECUTIVE DIRECTOR
(DIN 00077230)

PLACE: CHANDIGARH
Date: August 13, 2018

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, 2018, 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, 2017 to March 31, 2018.
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: 13-08-2018
Place: Chandigarh

sd/-
Kanwaljit Singh Thanewal
Company Secretary in Practice
FCS No. 59.1
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, 2018.

**Place: CHANDIGARH
Date: 13.08.2018**

**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 28th, 2018

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 Stand alone as well consolidated financial statements and the cash flow statement for the year ended 31.03.2018 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/-

Tilak Raj Khepar
(Chief Financial officer)
PAN- ABCPK2505K

Sd/-

Sat Paul Bansal
(Chairman & Managing Director)
DIN-00077499

Annexure D-14

**JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS**

**S.C.O.819-20, SECTOR -22 A,
CHANDIGARH160022
PHONE:0172-2705761,2701629 FAX
5089769
EMAIL: jainassociates1968@gmail.com**

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, 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 2017 to 31st March, 2018, 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: 13/08/2018

**Sd/-
(CA. NEERAJ JAIN)
Partner
M. No. 089477**

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, 2018, 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, 2018, 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial 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 34 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

Sd/-
CA. Neeraj Jain
Partner
Membership number: 089477

Place: Chandigarh

Date: 28.05.2018

"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, 2018:

- 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, 2018 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 34 – 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

Sd/-
CA. Neeraj Jain
Partner
Membership number: 089477

Place: Chandigarh

Date: 28.05.2018

**"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, 2018 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
JAIN & ASSOCIATES
Chartered Accountants
FRN:01361N

Sd/-
CA. Neeraj Jain
Partner
Membership number: 089477

Place: Chandigarh

Date: 28.05.2018

PAUL MERCHANTS LTD
BALANCE SHEET AS ON 31st MARCH 2018

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	As on 31.03.2018	As on 31.03.2017	As on 01.04.2016
ASSETS				
(1) Non-Current Assets				
a) Property, Plant and Equipment	1	75,16,10,953	50,36,93,261	50,27,71,206
b) Capital Work in Progress		-	1,05,83,414	1,04,28,157
c) Financial Assets				
i) Investments	2	67,88,86,229	3,04,72,125	4,24,85,024
d) Deferred Tax Assets (Net)	3	53,57,457	99,46,994	1,21,05,939
e) Other Non-Current Assets	4	2,75,53,954	2,15,71,122	2,94,71,645
(2) Current Assets				
a) Inventories	5	4,88,92,467	5,15,41,653	3,31,51,637
b) Financial Assets				
i) Current Investments	6	1,22,17,89,018	8,41,93,401	5,09,58,913
ii) Trade Receivables	7	15,79,11,613	34,62,38,418	42,84,31,644
iii) Cash and Bank Balance	8A	25,07,28,213	63,50,31,772	49,06,56,620
iv) Bank Balance other than iii above	8B	84,75,75,404	29,61,52,331	27,19,12,667
v) Loans	9	2,30,64,473	21,01,52,790	7,25,40,651
vi) Others				
c) Current Tax Assets	10	65,19,55,448	9,73,74,447	20,67,83,116
d) Other Current Assets	11	18,08,002	38,79,687	39,15,546
TOTAL		4,66,71,33,232	2,30,08,31,417	2,15,56,12,765
EQUITY AND LIABILITIES				
EQUITY				
Shri Laxmi Ji		1	1	1
a) Equity Capital	12	1,02,80,000	1,02,80,000	1,02,80,000.00
b) Other Equity	13	3,63,78,43,955	1,50,74,91,611	1,38,29,80,594
LIABILITIES				
(1) Non-Current Liabilities				
a) Financial Liabilities				
i) Borrowings	14	13,44,277	39,77,862	6,68,62,254
ii) Other Financial Liabilities	15	-	32,41,500	33,36,645
b) Provisions	16	1,45,56,467	2,34,17,854	2,51,43,617
(2) Current Liabilities				
a) Financial Liabilities				
i) Borrowings	17	17,24,06,232	17,40,10,040	17,13,34,781
ii) Trade Payables	18	6,70,21,544	26,64,55,984	29,05,20,293
b) Other Current Liabilities	19	9,57,42,346	18,15,87,636	7,73,23,731
c) Provisions	20	66,79,38,410	13,03,68,929	12,78,30,849
TOTAL		4,66,71,33,232	2,30,08,31,417	2,15,56,12,765
Significant Accounting Policies & Notes on Financial Statements 1-42				
PLACE: CHANDIGARH DATED: 28.05.2018				
For & on Behalf of Board of Directors		AUDITOR'S REPORT: As per our Separate Report of the Even Date		
Sd/- SAT PAUL BANSAL Chairman cum Managing Director DIN-0007799 H. No. 749, Sec 8, Chandigarh	Sd/- RAJNEESH BANSAL Executive Director DIN-00077230 H. No. 749, Sec 8, Chandigarh	For Jain & Associates CHARTERED ACCOUNTANTS (FRN – 01361N)		
Sd/- HARDAM SINGH Company Secretary FCS-5046 H. No. 12D, Angel Appt. Zirakpur	Sd/- TILAK RAJ KHEPAR Chief Financial Officer M-7990 H. No. 1629, Sec. 44B, Chandigarh	Sd/- CA. NEERAJ JAIN Partner (M. No. 089477)		

PAUL MERCHANTS LTD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH 2018

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	CURRENT YEAR 31.03.2018	PREVIOUS YEAR 31.03.2017
I. REVENUE			
Revenue from Operations	21	45,39,15,89,005	28,91,02,19,141
Other Income	22	11,21,69,534	5,45,17,925
III Total Income (I+II)		45,50,37,58,539	28,96,47,37,066
IV. EXPENSES			
Purchase of Foreign Exchange and Services	23	44,79,22,08,284	28,50,01,17,537
Changes in Inventories of Stock in Trade	24	26,49,186	-1,83,90,017
Direct Expenses	25	22,04,20,724	14,64,05,940
Office & Administrative Expenses	26	8,86,72,606	7,05,16,258
Employee Benefit Expenses	27	12,89,09,029	10,16,13,261
Finance Costs	28	1,43,11,029	1,77,88,339
Sales Promotion Expenses	29	76,94,306	43,04,540
Corporate Social Responsibility Expenses	30	59,67,282	57,46,209
Other Expenses	31	31,15,930	35,45,117
Depreciation	1	3,33,02,366	2,90,50,590
TOTAL EXPENSES IV		45,29,72,50,743	28,86,06,97,773
V. PROFIT BEFORE EXCEPTIONAL ITEMS & TAX (III - IV)		20,65,07,796	10,40,39,293
VI. EXCEPTIONAL ITEMS		-	26,66,099
VII. PROFIT BEFORE TAX (V - VI)		20,65,07,796	10,13,73,194
VIII. TAX EXPENSE			
(1) Current Tax		5,59,39,211	3,50,53,489
(2) Deferred Tax	39	45,89,537	21,58,945
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII - VIII)		14,59,79,048	6,41,60,760
X Profit/Loss from Discontinued Operations	32	2,58,26,26,405	23,26,53,483
XI Tax Expense of Discontinued Operations		59,77,15,647	8,03,11,982
Prior Period Tax		-	8,94,91,142
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X - XI)		1,98,49,10,758	6,28,50,358
XIII PROFIT/(LOSS) FOR THE PERIOD (IX+XII)		2,13,08,89,806	12,70,11,118
XIV OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined benefit obligations		-8,21,908	-38,18,155
(ii) Income tax relating to items that will not be reclassified to profit or loss		2,84,446	13,18,054
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)		2,13,03,52,344	12,45,11,017
XVI EARNING PER EQUITY SHARE (FOR CONTINUING OPERATION)	35		
1) BASIC		142.00	62.41
2) DILUTED		142.00	62.41
XVII EARNING PER EQUITY SHARE (FOR DISCONTINUED OPERATION)	35		
1) BASIC		1,930.85	61.14
2) DILUTED		1,930.85	61.14
XVIII EARNING PER EQUITY SHARE (FOR CONTINUING & DISCONTINUED OPERATION)	35		
1) BASIC		2,072.85	123.55
2) DILUTED		2,072.85	123.55

Significant Accounting Policies & Notes on Financial Statements 1-42

PLACE: CHANDIGARH
DATED: 28.05.2018

For & on Behalf of Board of Directors

Sd/-
SAT PAUL BANSAL
Chairman cum Managing Director
DIN-0007799
H. No. 749,
Sec 8, Chandigarh

Sd/-
HARDAM SINGH
Company Secretary
FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

Sd/-
RAJNEESH BANSAL
Executive Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

Sd/-
TILAK RAJ KHEPAR
Chief Financial Officer
M-7990
H. No. 1629
Sec. 44B, Chandigarh

AUDITOR'S REPORT:
As per our Separate Report of the Even Date

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN – 01361N)

Sd/-
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 for the year ended 31st March, 2018

Particulars	Amount (Rs)
Balance at the beginning of the reporting period	1,02,80,000
Changes in equity share capital during the year	-
Balance at the end of the reporting period	1,02,80,000

Changes in equity share capital for the year ended 31st March, 2017

Particulars	Amount (Rs)
Balance at the beginning of the reporting period	1,02,80,000
Changes in equity share capital during the year	-
Balance at the end of the reporting period	1,02,80,000

B Other Equity

Changes in other equity for the year ended 31st March, 2018

Particulars	Reserves and Surplus		Other Comprehensive Income	Amount (Rs)
	Security premium Account	Retained Earning	Remeasurement of Net defined benefit Asset/Liability (net of tax)	Total
Balance as on 01.04.2017	50,40,000	1,50,24,51,611	-	1,50,74,91,611
Net Profit / Loss for the year		2,13,08,89,806		2,13,08,89,806
Other Comprehensive income for the year				
Remeasurements of net defined benefit plans			(5,37,462)	(5,37,462)
Balance as on 31.03.2018	50,40,000	3,63,33,41,417	(5,37,462)	3,63,78,43,955

Changes in other equity for the year ended 31st March, 2017

Particulars	Reserves and Surplus		Other Comprehensive Income	Amount (Rs)
	Security premium Account	Retained Earning	Remeasurement of Net defined benefit Asset/Liability (net of tax)	Total
Balance as on 01.04.2016	50,40,000	1,37,79,40,594		1,38,29,80,594
Net Profit / Loss for the year		12,70,11,118		12,70,11,118
Other Comprehensive income for the year				
(a) Remeasurements of net defined benefit plans			(25,00,101)	(25,00,101)
Balance as on 31.03.2017	50,40,000	1,50,49,51,712	(25,00,101)	1,50,74,91,611

Significant Accounting Policies & Notes on Financial Statements 1-42

PLACE: CHANDIGARH

DATED: 28.05.2018

For & on Behalf of Board of Directors

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

Sd/-

SAT PAUL BANSAL

Chairman cum Managing Director

DIN-0007799

H. No. 749,

Sec 8, Chandigarh

Sd/-

RAJNEESH BANSAL

Executive Director

DIN-00077230

H. No. 749,

Sec 8, Chandigarh

For Jain & Associates

CHARTERED ACCOUNTANTS

(FRN – 01361N)

Sd/-

HARDAM SINGH

Company Secretary

FCS-5046

H. No. 12D, Angel Appt. Zirakpur

Sd/-

TILAK RAJ KHEPAR

Chief Financial Officer

M-7990

H. No. 1629 Sec. 44B, Chandigarh

Sd/-

CA. NEERAJ JAIN

Partner

(M. No. 089477)

PAUL MERCHANTS LTD
CASH FLOW STATEMENT AS ON 31ST MARCH, 2018

CIN-L74900DL1984PLC018679

Amount (in Rs.)

PARTICULARS	CURRENT YEAR 31.03.2018	PREVIOUS YEAR 31.03.2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	2,78,83,12,294	33,28,74,621
Adjustment for:		
Depreciation	3,33,02,366	2,90,50,590
(Profit)/Loss on Sale of Fixed Assets/Investments	(6,73,398)	6,64,860
Gain on Sale of MTSS business	(2,63,00,10,000)	-
Gain on Sale of Investments	(1,00,90,584)	-
Finance Cost	1,43,11,029	3,18,48,140
Short Term Provisions	53,75,69,481	8,12,317
Long Term Provisions	(88,61,387)	-
Rental Income	(24,28,172)	(13,66,166)
Interest Income	(4,80,74,125)	(2,22,10,050)
Dividend Received	(1,07,35,654)	(32,37,160)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	66,26,21,850	36,84,37,152
Adjustment for :		
Net changes in operating Assets & Liabilities		
Decrease/(Increase) in Inventory	26,49,185	(1,83,90,016)
Increase in Current Investments	(1,12,75,05,032)	(3,32,34,488)
Decrease in Trade receivable	18,83,26,804	8,21,93,227
Increase in Other Bank Balance	(55,14,23,073)	(2,42,39,663)
Increase in Current Tax Assets	(55,45,81,001)	10,94,08,669
Decrease in Short Term Loans & Advances	18,70,88,317	(13,76,12,139)
Decrease in other Current Assets	20,71,685	35,859
Decrease in Trade Payables	(19,94,34,440)	(2,40,64,309)
Decrease in Other Current Liabilities	(8,58,45,290)	7,14,77,863
CASH FROM/(USED IN) OPERATIONS	(1,47,60,30,995)	39,40,12,153
Income Taxes Paid	(65,33,70,412)	(20,35,38,559)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(2,12,94,01,407)	19,04,73,594
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	2,64,88,84,325	32,26,730
Purchase of Fixed Assets	(28,88,37,572)	(3,40,19,492)
Increase of Non Current Investments	(64,84,14,104)	93,46,800
Increase in Other Non Current Assets	(59,82,831)	79,00,522
Decrease in Other Long Term Liabilities	(32,41,500)	(95,145)
Rental Income	24,28,172	13,66,166
Interest Income	4,80,74,125	2,22,10,050
Dividend Income	1,07,35,654	32,37,160
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	1,76,36,46,268	1,31,72,791
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings (Net of Repayments)		
Long Term Borrowings	(26,33,585)	(6,28,84,392)
Short Term Borrowings	(16,03,807)	3,54,61,301
Finance Cost	(1,43,11,029)	(3,18,48,140)
NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	(1,85,48,421)	(5,92,71,232)
Net Change in Cash & Cash Equivalents (A+B+C)	(38,43,03,560)	14,43,75,153
Cash and Cash equivalent at the beginning of the year	63,50,31,772	49,06,56,619
Cash and Cash equivalents at the end of the year	25,07,28,213	63,50,31,772

Place : Chandigarh.

Dated : 28.05.2018

For & on behalf of Board of Directors

Sd/-
(HARDAM SINGH)
Company Secretary

Sd/-
(TILAK RAJ KHEPAR)
Chief Financial Officer

Sd/-
(RAJNEESH BANSAL)
Executive Director

Sd/-
(SAT PAUL BANSAL)
Chairman cum
Managing Director

FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

M-7990
H. No. 1629
Sec. 44B, Chandigarh

DIN-00077230
H. No. 749,
Sec 8, Chandigarh

DIN-0007799
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 2018. 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: 28.05.2018

Sd/-
CA. NEERAJ JAIN
Partner
(M. No. 089477)

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

i) For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013. In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017, the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS. The company has applied IND AS to items which are material and made specific disclosure required by an Ind AS if the information is material or when required by law in accordance with said notification.

ii) The Company had prepared a separate set of financial statements for the year ended March 31, 2017 and March 31, 2016 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company. The management of the Company has compiled the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments.

(iii) The Company has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2016. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind AS and of the Profit/ (Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS.

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. 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 has 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.

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 The Company used to undertake Inward Money Transfer Services in Association with Western Union Financial Service Inc. U.S.A. and Continental Exchange Solutions Inc USA and in the process receives the remittances in US Dollars, which are credited to the Company's Bank account at the exchange rates prevailing on the date of receipt.
- 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 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.

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 MARCH 2018

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 2017	Additions	Disposals	Balance as at 31st Mar 2018	Balance as at 1 April 2017	Depreciation charge for the year	On disposals	Balance as at 31st Mar 2018	Balance as at 31st March 2017	Balance as at 31st Mar 2018
Land	23,56,71,632	21,01,40,207	-	44,58,11,839	-	-	-	-	23,56,71,632	44,58,11,839
Buildings	25,40,05,068	4,70,94,986	-	30,11,00,054	3,44,98,241	1,10,96,340	-	4,55,94,581	21,95,06,827	25,55,05,473
Computers & Desktop	4,03,44,808	18,96,190	1,09,98,461	3,12,42,537	3,54,40,865	26,19,370	99,31,204	2,81,29,031	49,03,943	31,13,506
Servers & Networks	1,13,79,050	-	78,310	1,13,00,740	83,39,002	11,02,698	71,729	93,69,972	30,40,047	19,30,768
Furniture and Fittings	4,48,36,464	34,50,139	1,29,42,052	3,53,44,551	3,37,88,555	36,48,433	1,15,14,582	2,59,22,406	1,10,47,909	94,22,145
Motor Cars	4,40,90,569	2,06,33,732	1,05,40,299	5,41,84,002	2,87,89,520	94,52,931	90,62,429	2,91,80,022	1,53,01,049	2,50,03,980
Motor Cycles	84,140	-	-	84,140	65,804	5,081	-	70,885	18,336	13,255
Office Equipments	1,47,09,521	9,50,721	39,14,451	1,17,45,792	1,09,72,704	17,09,283	30,97,838	95,84,150	37,36,817	21,61,642
Electrical Installations & Equipments	1,97,35,031	13,77,111	45,19,453	1,65,92,689	1,33,28,200	17,77,202	30,81,129	1,20,24,273	64,06,831	45,68,417
Plant & Machinery (Solar Power Plant)	22,20,000	-	-	22,20,000	2,11,368	3,63,564	-	5,74,932	20,08,632	16,45,068
Leasehold Improvements	22,12,712	32,94,486	17,77,256	37,29,942	1,61,474	15,27,464	3,93,858	12,95,080	20,51,238	24,34,862
Construction Work in Progress	1,05,83,414	-	1,05,83,414	-	-	-	-	-	1,05,83,414	-
Total Current 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
Total Previous Year	65,47,94,429	3,40,19,492	89,41,512	67,98,72,409	14,15,95,066	2,90,50,590	50,49,922	16,55,95,734	51,31,99,363	51,42,76,675

Note 2: NON CURRENT INVESTMENTS

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
Investments (unquoted, fully paid up, at cost)			
Investments in Subsidiary			
Paul Fincap Private Limited 1,34,75,418 Shares having Face Value of Rs 10 each (Previous Year NIL)	55,14,14,104	-	
PML Realtors Private Limited 97,00,000 Shares having Face value of Rs 10 each (Previous Year NIL)	9,70,00,000	-	
Investments in Joint Venture			
19.42% JV Investment (Previous Year 19.42%) in Horizon Remit SDN BHD, Malaysia(No. of shares 1693797)	3,04,72,125	3,04,72,125	4,24,85,024
Total	67,88,86,229	3,04,72,125	4,24,85,024

Note 3: DEFFERED TAX ASSETS

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
Opening Balances	99,46,994	1,21,05,939	1,06,64,199
Add/Less: Deferred Tax Assets created/(written back) during the year	(45,89,537)	(21,58,945)	14,41,740
Total	53,57,457	99,46,994	1,21,05,939

Note 4: OTHER NON CURRENT ASSETS

Particulars	As at 31st Mar 2018	As at 31st Mar 2017	As at 1st Apr 2016
Term Deposit Accounts with more than 12 months maturity	-	30,67,169	88,63,095
Advance against Properties	2,75,53,954	1,85,03,954	2,06,08,550
Total	2,75,53,954	2,15,71,122	2,94,71,645

Note 5: INVENTORIES

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
Stock of Foreign Currency at Cost	4,88,27,307	5,14,76,493	3,30,86,477
Stock Of Shares at Cost	65,160	65,160	65,160
Total	4,88,92,467	5,15,41,653	3,31,51,637

Note 6: FINANCIAL ASSETS -CURRENT INVESTMENTS

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
Investments measured at Fair Value Through Profit & Loss			
Investment in Mutual Funds -Quoted			
DSP Black Rock Income opportunity Fund	13,63,51,918	8,41,93,401	5,09,58,913
Aditya Birla Sun Life Equity Savings Fund Direct	39,80,734	-	-
Aditya Birla Sunlife Pure Value Fund	13,87,641	-	-
Avendus Enhanced Return Fund	3,08,29,487	-	-
Axis Focused 25 Fund Direct Plan Growth	70,08,290	-	-
HDFC Equity Savings Fund Direct Plan Growth	74,34,667	-	-
ICICI Prudential Arbitrage Fund Monthly Dividend	2,54,70,341	-	-
L&T India Value Fund-Regular Plan -Growth	2,76,031	-	-
Reliance Arbitrage Advantage Fund Monthly Dividend	5,27,81,086	-	-
Aditya Birla Sun Life Corporate Bond Fund	1,18,947	-	-
ABSL Cash Manager Fund	2,45,65,607	-	-
Birla Sun Life Floating Rate Fund Short Term Plan	5,01,45,756	-	-
ICICI Prudential Liquid Direct Plan Growth	4,51,24,474	-	-
ICICI Prudential Regular Savings Fund - Growth	5,08,84,551	-	-
L&T Income Opportunities Fund - Regular Plan	5,09,59,827	-	-
L&T Liquid Fund	7,12,914	-	-
HDFC Liquid Fund	9,16,967	-	-
IDFC Ultra Short Term Fund	6,11,134	-	-
Ambit Alpha Fund Scheme	1,01,29,338	-	-
HDFC Capital BuilderFund- Growth	3,75,132	-	-
HDFC MID-CAP pportunities Fund - Growth	1,87,935	-	-
IDFC Sterling Equity Fund -Regular Plan-Growth	3,63,454	-	-
8.25 MLD Debentures - IIFL Walth Finance Limited	1,05,41,963	-	-
Investments in Bonds and debentures -Quoted at FVTPL			
7.03 % Housing and Urban Development Corporation Limited	1,24,36,918	-	-
8.56 % Housing and Urban Development Corporation Limited	2,57,89,330	-	-
8.48% India Infrastructure Finance Company Limited	6,10,49,453	-	-
8.54% Power Finance Corporation Limited Tax Free Bonds	6,05,72,465	-	-
Bonds in Rural Electrification Corporation Limited	2,31,94,689	-	-
7.22% Rural Electrification Corporation Limited	1,38,43,973	-	-
Zero Cupon Nabard Bonds	6,54,86,105	-	-
Investments in Bonds and debentures -Unquoted at FVTPL			
Rural Electrification Corporation Limited -Capital Gain Bonds	50,56,815	-	-
Investments in Preference Shares- Quoted			
7.50% Vedanta Limited	4,80,30,239	-	-
6% Zee Entertainment Enterprises Limited	2,25,31,863	-	-
Investments in Equity- Unquoted			
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			
Estee Advisors Privat Limited -PMS	5,03,38,975	-	-
India Real Estate Fund	50,00,000	-	-
Total (A)	1,22,17,89,018	8,41,93,401	5,09,58,913
Total	1,22,17,89,018	8,41,93,401	5,09,58,913

Note 7: FINANCIAL ASSETS- TRADE RECEIVABLES

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
A. Trade receivables outstanding for a period less than six months			
1. Unsecured, considered good	14,60,82,095	31,61,94,601	42,30,84,681
	14,60,82,095	31,61,94,601	42,30,84,681
B. Others			
1. Unsecured, considered good	1,18,29,518	3,00,43,817	53,46,963
	1,18,29,518	3,00,43,817	53,46,963
Total	15,79,11,613	34,62,38,418	42,84,31,644

Trade Receivable stated above include debts due by:

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 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 & BANK BALANCES

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
A. Cash and cash equivalents			
i) Cash in hand	4,82,89,405	10,28,01,522	10,81,31,422
ii) In Current Accounts	20,24,38,808	48,15,12,508	38,25,25,198
iii) In Term Deposit Accounts with <= to 3 months maturity	-	5,07,17,742	-
Total (A)	25,07,28,213	63,50,31,772	49,06,56,620
B. Other Balances with Banks			
i) In Term Deposit Accounts with > 3 month and <12 months maturity	60,36,54,299	92,17,493	-
ii) In earmarked Term Deposit Accounts			
a. Security against borrowings	23,70,68,181	27,89,26,993	26,32,28,129
b. Margin money	51,18,241	61,30,728	59,92,938
c. Guarantees & Other Commitments	16,08,398	17,36,574	17,43,119
iii) In EEFC Accounts	1,24,716	1,24,352	9,24,511
iv) In Unclaimed dividend accounts	1,569	16,190	23,970
Total (B)	84,75,75,404	29,61,52,331	27,19,12,667
Total (A+B)	1,09,83,03,617	93,11,84,103	76,25,69,287

Note 9: FINANCIAL ASSETS - SHORT TERM LOANS & ADVANCES

Amount (In Rs.)

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
A. Unsecured, Considered Good			
1. Advances to Other Parties (Net)	83,66,072	18,14,96,770	5,09,00,149
2. Security Deposits	1,05,78,754	2,18,00,437	1,62,47,378
3. Loans and advances to employees	16,55,297	32,38,119	29,20,301
4. Staff Imprest	12,65,622	17,98,964	12,68,358
5. Claims Recoverable	11,98,728	18,18,500	12,04,464
Total	2,30,64,473	21,01,52,790	7,25,40,651

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 2018	As at 31st Mar 2017
Directors	-	4,95,00,000
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member as trade advance	-	3,02,77,750
	-	7,97,77,750

Note 10: Current tax Assets

Amount (In Rs.)

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
1. Balances with government authorities			
a. CENVAT credit /GST Input Credit	75,26,653	8,07,746	30,43,277
b. Advance Tax	63,50,00,000	9,00,00,000	19,35,81,229
c. Tax Deducted at Source	94,28,795	65,66,702	1,01,58,610
Total	65,19,55,448	9,73,74,447	20,67,83,116

Note 11: OTHER CURRENT ASSETS

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
Prepaid expenses	18,08,002	38,79,687	39,15,546
Total	18,08,002	38,79,687	39,15,546

Note 13: OTHER EQUITY

Amount (In Rs.)

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
RESERVES AND SURPLUS			
A. Securities Premium Reserve			
Opening Balance	50,40,000	50,40,000	50,40,000
Add : Securities premium credited on Share issue	-	-	-
Less : Premium Utilized	-	-	-
Closing Balance	50,40,000	50,40,000	50,40,000
B. Retained Earnings			
Opening Balance	1,50,24,51,611	1,37,79,40,594	1,17,37,48,942
(+) Profit for Current Year	2,13,08,89,806	12,70,11,118	20,41,91,652
(+) Other Comprehensive Income (net of tax)			
-Remeasurment of net defined benefit asset/liability	(5,37,462)	(25,00,101)	-
Closing Balance	3,63,28,03,955	1,50,24,51,611	1,37,79,40,594
Total	3,63,78,43,955	1,50,74,91,611	1,38,29,80,594

Note 14: NON CURRENT FINANCIAL LIABILITIES: BORROWINGS

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
SECURED			
A. Non-Current Maturities of Term Loans			
1. From Banks			
a. Term Loan from ICICI Bank	-	-	2,57,64,029
b. Term Loan from HDFC Bank	-	-	3,84,12,659
c. Car Loans from KOTAK MAHINDRA Bank (Secured by Hypothecation of Cars)	13,44,277	39,77,862	26,85,566
Total	13,44,277	39,77,862	6,68,62,254

Note 15: OTHER LONG TERM FINANCIAL LIABILITIES

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
Security deposits received from WU	-	32,41,500	33,16,645
Security deposits received from Agents	-	-	20,000
Total	-	32,41,500	33,36,645

Note 16: LONG TERM PROVISIONS

Particulars	As at 31st Mar 2018	As at 31st Mar 2017	As at 1st Apr 2016
Provision for employee benefits			
Gratuity - Unfunded	1,45,56,467	2,34,17,854	2,51,43,617
Total	1,45,56,467	2,34,17,854	2,51,43,617

CURRENT FINANCIAL LIABILITIES
Note 17: CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
A. SECURED			
Loans repayable on demand- From Banks			
(i) Cash Credit Facility (CC)	-	7,10,53,710	13,18,63,940
(ii) Temporary Over Draft Facility (TOD)	-	-	3,51,011
(iii) Over Draft Facility (OD)	16,98,24,883	9,66,22,542	-
[(i)&(ii) are Secured by Current Assets (future & current) and personal properties of Directors with personal guarantee,			
(iii) is Secured by Hypothecation of Fixed deposits with Respective Banks]			
B. Current maturities of long-term debt	25,81,349	63,33,788	3,91,19,830
Total	17,24,06,232	17,40,10,040	17,13,34,781

Terms and Schedule of Repayment

Rs in Lakhs

Rate of Interest	2018-19	2019-20
Car loan		
9.00%	2.19	-
9.00%	5.48	-
8.99%	3.32	1.94
8.88%	9.82	6.66
8.95%	5.00	4.84
Total	25.81	13.44

Note 18: FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)	As at 1st Apr 2016 Amount (In Rs.)
Sundry Creditors	6,70,21,544	26,64,55,984	29,05,20,293
Total	6,70,21,544	26,64,55,984	29,05,20,293

Note 19: OTHER CURRENT LIABILITIES

Amount (In Rs.)

Particulars	As at 31st Mar 2018	As at 31st Mar 2017	As at 1st Apr 2016
(a) Expenses Payable	3,14,94,244	4,17,76,370	5,08,83,229
(b) Unclaimed dividends	825	7,953	19,334
(c) Advance From Customer	5,75,05,243	12,44,59,519	1,28,80,470
(d) Other payables			
(i) PF Payable	11,98,442	21,15,879	21,06,555
(ii) ESI Payable	2,34,197	4,07,359	3,23,171
(iii) Service Tax Payable	-	49,372	1,00,104
(iv) TDS Payable	32,08,948	1,27,71,183	1,10,10,869
(v) GST Payable	21,00,448	-	-
Total	9,57,42,346	18,15,87,636	7,73,23,731

Note 20: SHORT TERMS PROVISIONS

Particulars	As at 31st Mar 2018	As at 31st Mar 2017	As at 1st Apr 2016
(a) Provision for employee benefits			
Gratuity - Unfunded	29,76,659	11,59,729	-
Leave Encashment	35,65,760	52,25,965	52,93,820
Bonus	72,12,652	99,35,818	1,00,90,342
(b) Others (Specify nature)			
Provision for Taxes	65,41,83,339	11,40,47,417	11,24,46,687
Total	66,79,38,410	13,03,68,929	12,78,30,849

Note 21: REVENUE FROM OPERATIONS

Particulars	For the Year ended Amount (In Rs.)	For the Year ended Amount (In Rs.)
Sale of Services		
Foreign Exchange	44,86,49,00,349	28,45,51,19,907
Service Charges	1,86,53,389	1,11,17,452
Sales of Air Tickets	38,46,33,303	35,79,52,941
Sales of Hotel Bookings & Packages	5,80,76,628	5,67,24,689
Total - Sale of Services	45,32,62,63,669	28,88,09,14,989
Other Operating Revenues		
Rewards & Incentives	5,87,05,347	2,32,35,852
Credit Card Encashment	66,19,988	60,68,300
Total - Other Operating Revenues	6,53,25,335	2,93,04,152
Total Revenue From Operations	45,39,15,89,005	28,91,02,19,141

Note 22: OTHER INCOME

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
A. Interest Income		
1. Interest on Bank Deposits	4,29,38,976	2,17,94,125
2. Other Interest	51,35,149	4,15,925
3. Interest on Income Tax Refund	1,27,677	-
B. Dividend Income	1,07,35,654	32,37,160
C. Net Gain on Sale of investments	1,00,90,584	-
D. Other non-operating income (net of expenses directly attributable to such income)		
1. Rental Income	24,28,172	13,66,166
2. Profit on sale of Fixed Assets	18,21,509	-
3. Exchange Rate Variations on Forex Transactions	5,30,228	1,66,316
4. Franchisee Fees	25,542	10,000
5. Miscellaneous Income	3,49,77,929	2,75,28,233
6. Unrealized Gain on Investments	33,58,115	-
Total	11,21,69,534	5,45,17,925

Note 23: Purchase of Foreign Exchange and Services

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Foreign Exchange	44,37,29,26,465	28,10,69,00,825
Air Tickets	36,68,79,315	34,13,03,315
Hotel Bookings & Packages	5,24,02,504	5,19,13,397
Total	44,79,22,08,284	28,50,01,17,537

Note 24: Changes in Inventories of Stock in Trade

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Closing Stock of Foreign Exchange	4,88,27,307	5,14,76,494
Opening Stock of Foreign Exchange	5,14,76,494	3,30,86,477
NET DECREASE/(INCREASE)	26,49,186	-1,83,90,017

Note 25: DIRECT EXPENSES

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
COMMISSION AND INCENTIVES	22,04,20,724	14,64,05,940
Total	22,04,20,724	14,64,05,940

Note 26: OFFICE & ADMINISTRATIVE EXPENSES

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Bad Debts and Balances Written Off	6,64,407	3,66,557
Communication Expenses	60,61,127	73,28,910
Computer Expenses	62,00,412	30,72,541
Conference Expenses	1,55,277	65,540
Conveyance Expenses	27,06,719	32,74,820
Generator Running Expenses	88,553	2,36,846
Insurance	18,27,404	9,77,810
Legal, Professional & Outsourcing	47,70,501	53,19,516
Loss on fixed assets sold/scrapped/written off	11,48,111	6,64,860
Payments to Auditors-		
- Statutory Audit Fees	1,50,000	1,50,000
- Tax Audit Fees	50,000	50,000
Postage & Telegram	11,87,280	11,33,159
Power and Water Expenses	40,58,682	46,14,257
Printing and stationery	22,81,775	23,12,689
Rates and taxes	31,02,920	20,50,158
Rent	3,99,77,678	2,65,58,099
Repairs and maintenance	16,83,002	16,03,116
Security Services	12,71,206	4,89,923
Travelling Expenses	97,90,238	88,38,636
Vehicle Running & Maintenances	12,46,511	12,85,940
Office Expenses	2,50,801	1,22,830
Total	8,86,72,606	7,05,16,258

Note 27: EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Salaries & Allowances	8,68,26,951	7,33,95,771
Bonus & Incentives	97,33,155	68,04,600
Leave Encashment	53,63,703	38,48,560
Contributions to:		
(i) Provident Fund	1,16,59,983	99,03,295
(ii) ESI	31,49,653	20,63,603
Gratuity	59,18,028	-4,26,671
Staff Recruitment Expenses	52,040	1,93,772
Staff welfare expenses	62,05,517	58,30,331
Total	12,89,09,029	10,16,13,261

Note 28: FINANCE COSTS

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Interest Expenses:		
Interest on Demand Loans	86,73,712	79,57,984
Interest on Term Loans	85,379	39,40,144
Interest on Car Loans	5,21,958	5,26,868
Other Finance Expenses:		
Bank Charges	34,53,086	37,80,015
Credit Card Charges	15,76,893	15,83,328
Total	1,43,11,029	1,77,88,339

Note 29: SALES PROMOTION EXPENSES

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Advertisement & Publicity	11,17,784	42,15,036
Business Promotion	65,76,522	89,503
Total	76,94,306	43,04,540

Note 30: CSR- CORPORATE SOCIAL RESPONSIBILITY

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Gross Amount Required to be spent by the Co. During the Year	59,52,381	54,79,418
A) Amount Spent During the year	Amount Paid	Amount Paid
Animal Welfare	36,000	97,572
Environment sustainability	58,113	72,092
Promoting Healthcare	11,41,288	40,70,916
Making available safe drinking water	1,78,000	82,428
Eradicating hunger	9,54,424	6,25,555
Employment enhancing Vocation skills	-	1,39,986
Promoting education	5,54,214	4,77,660
Women Empowerment	2,49,243	
Old Age Home	25,00,000	
Administrative overheads(Prop Salary of one employee dedicated for CSR activities)	2,96,000	1,80,000
B) AMOUNT YET TO BE PAID	NIL	NIL
Total	59,67,282	57,46,209

Note 31: OTHER EXPENSES

Particulars	For the Year ended 31st Mar 2018	For the Year ended 31st Mar 2017
	Amount (In Rs.)	Amount (In Rs.)
Donations	2,79,203	3,95,229
Fees & Subscriptions	5,91,163	9,43,434
Guest House Expenses	22,45,564	22,06,454
Total	31,15,930	35,45,117

Note 32: DISCONTINUED OPERATIONS-

Particulars	For the Year ended 31st Mar 2018	For the Year ended 31st Mar 2017
	Amount (In Rs.)	Amount (In Rs.)
Revenue from Discontinued Operations		
Charges Received from IMT	50,70,95,956	95,72,73,683
Rewards Incentive	1,67,71,187	5,86,26,932
Total Revenue	52,38,67,143	1,01,59,00,615
Expenses	49,78,91,669	78,32,47,133
Profit before tax from Discontinued Operations (1)	2,59,75,475	23,26,53,483
Tax on above	89,89,170	8,03,11,982
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	23,26,53,483

Note 12: SHARE CAPITAL

A. Authorised, Issued, Subscribed & Paid up Share Capital and Par Value per Share

Particulars	As at 31st Mar 2018		As at 31st Mar 2017	
	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 2018		As at 31st Mar 2017	
	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 2018		As at 31st Mar 2017	
	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 33. MANAGERIAL REMUNERATION

During the year the company paid an amount of Rs.256.59 Lacs (Previous Yr Rs. 363.80 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	162.86
Mr. Rajneesh Bansal	Executive Director	86.11
Mr. Dharam Pal Sharma	Whole Time Director	7.62
Total		256.59

Computation of Net Profit in accordance with Section 198 of the Companies Act, 2013:

Particulars	For the Year ended 31st Mar 2018 Rs. In Lacs	For the year ended 31 March 2017 Rs. In Lacs
Profit Before Tax & Exceptional Items	2,324.83	3,328.75
Add: Managerial Remuneration	256.59	363.8
Add: Loss (Profit) on Sale of Fixed Assets	-6.73	6.65
Net Profit for the Year	2,574.69	3,699.17

Note 34. CONTINGENT LIABILITY NOT PROVIDED FOR

Particulars	As at 31 March 2018 (Rs. In Lacs)	As at 31 March 2017 (Rs. In Lacs)
Claims against company not acknowledged as Debt	149.58	142.80
Bank Guarantees	95.13	32.17
Service Tax Demand Notice pending Departmental Appeal with High Court (excl. Interest)	335.42	335.42
Corporate Guarantee in Respect of JV in Malaysia	1,296.60	1,296.60
Capital Commitments	-	-
Total	1,876.73	1,806.99

Note 35. Earnings per Share

Particulars	As at 31 March 2018 Amount (In Rs.)	As at 31 March 2017 Amount (In Rs.)
Earnings per Share- Continuing Operations		
Net Profit for the Year (Rs.)	14,59,79,048	6,41,60,760
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	142.00	62.41
Earnings per Share - Discontinued Operations		
Net Profit for the Year (Rs.)	1,98,49,10,758	6,28,50,358
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	1,930.85	61.14
Earnings per Share - Continuing and Discontinued Operations		
Net Profit for the Year (Rs.)	2,13,08,89,806	12,70,11,118
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	2,072.85	123.55

Note 36. Employee Benefits

(As per IND AS 19 issued by ICAI)

Particulars of Defined Contribution Plan	As at 31 March 2018 Amount (In Rs.)	As at 31 March 2017 Amount (In Rs.)
Contribution to Provident Fund & ESI during the financial year	1,48,09,636	1,19,66,898

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 2018	As at 31 March 2017
Interest in JV (%)	19.42%	19.42%
Value of Capitalized Investment in JV	304.72	304.72
Proportional Interest in		
- Assets	144.81	97.19
- Liabilities	116.74	80.57
Share of Income from JV	8.37	11.94
Expenditure Incurred	-	-

Note 38. Related Party Disclosures

(Disclosure as per Ind AS 24)

A. List of Related Parties

Name of Related Party	Relationship
Sh. Sat Paul Bansal	Chairman cum Managing Director
Sh. Sandeep Bansal	Director
Sh. Rajneesh Bansal	Executive Director
Sh. Dharam Pal Sharma	Whole Time Director
Smt. Sarita Rani Bansal	Non-Executive Director
Smt. Nita Bansal	Relative of Key Management Personnel
Sh. Tilak Raj Khepar	Key Management Personnel- CFO
Sh. Hardam Singh	Key Management Personnel- CS
Paul Distributors	Partnership Firm in which Directors are Partners
Paul Fincap Pvt. Ltd.	Subsidiary Company
PML Realtors Pvt Ltd	Subsidiary Company
Talk More Communications (P) Ltd	Private Company in which one Director is also a Director
Paul Energy Projects Pvt Ltd	Private Company in which three Directors are also Directors and Shareholders
Paul Excursions Private Limited	Private Company in which two Directors are also Directors and Shareholders
PML Holidays Private Limited	Private Company in which two Directors are also Directors and Shareholders
Paul Fast Remit Private Limited	Private Company in which three Directors are also Directors and Shareholders
Paul Overseas Pvt Ltd	Private Company in which two Directors are also Directors and Shareholders
Paul E- Commerce Private Limited	Private Company in which two Directors are also Directors and Shareholders
Divya Broadcasting Network Private Limited	Private Company in which two Directors are also Directors and Shareholders
Paul Broadcasting Private Limited	Private Company in which two Directors are also Directors and Shareholders
Prabhsharanshanti Films Private Limited	Private Company in which one Director is also a Director
Pure Shop LLP	LLP in which one Director is also a Designated Partner
BBSM Films Private Limited	Private Company in which One Director is also Director and Shareholder
Chandigarh Network Systems Private Limited	Private Company in which One Director is also Director and Shareholder
Newsclip Media Private Limited	Private Company in which One Director is also Director and Shareholder
Strikeone Jobs Private Limited	Private Company in which One Director is also Director and Shareholder
INX Music Private Limited	Private Company in which One of the Directors is also Managing Director and Shareholder
PAUL Entertainment Private Limited	Private Company in which One Director is also Director and Shareholder
EBIX Money Express Private Limited	Private Company in which One Director is also a Director
Horizon Remit SDN BHD, Malaysia	Joint Venture Company

A. Related Party Transactions in Ordinary Course of Business

(Rs. In Lacs)

Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Associate Company/ Firm	Related Party	Total
Managerial Remuneration	256.59	-	-	-	256.59
Rent Paid for Premises	153.97	11.55	34.08	-	199.60
Rent Received	-	-	26.67	-	26.67
Purchase of Property	1,500.00	-	-	-	1,500.00
Salary paid	50.18	-	-	-	50.18
Investment in Paul Fincap Pvt Ltd	550.55	-	4,963.60	-	5,514.14
Investment in PML Realtors Pvt Limited	-	-	970.00	-	970.00
Investment in EBIX Money Express Private Limited	-	-	-	3,173.00	3,173.00
Commission Received	-	-	-	30.28	30.28
Service charges Paid	-	-	22.29	-	22.29

There are no transactions with related parties, which are not in ordinary course of business or not at arm's length.

Note 39. Deferred Tax

(As per IND AS 12 Income taxes)

Amount in Rs

Deferred Tax Assets on Account of Timing Differences	As at 01.04.2017	Arising During the Year	As at 31.03.2018
Depreciation	19,97,405	-12,09,158	32,06,563
Provision for Gratuity	85,05,810	24,37,946	60,67,864
Provision for Bonus	34,38,588	9,42,433	24,96,155
Net Deferred Tax Asset	99,46,993	45,89,537	53,57,456

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 2018	For the Year ended 31st Mar 2017
1	Segment Revenue		
(a)	Forex	4,49,285	2,85,094
(b)	International Money Transfer (Discontinued)	5,239	10,159
(c)	Travel	4,533	4,214
(d)	Others	277	85
	Total	4,59,334	2,99,552
	Less: Inter Segment Revenue		
(a)	Forex	-15	58
(b)	International Money Transfer (Discontinued)	-6	14
(c)	Travel	28	-72
(d)	Others	-7	-
	Net sales/Income From Operations	4,59,334	2,99,552
2	Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#		
(a)	Forex	1,221	1,047
(c)	Travel	197	-32
(d)	Others	270	51
	Total	1688	1066
	Less:		
i)	Interest	143	178
ii)	Other Un-allocable Expenditure net off	422	128
iii)	Un-allocable income	942	254
	Total Profit Before Tax	2,065	1,014
	Segment - International Money Transfer (Discontinued)	260	2,327
	Total Profit Before Tax (Continuing and Discontinued Operations)	2,325	3,340
3	Segment Assets		
(a)	Segment - Forex	8,665	6,142
(b)	Segment-International Money Transfer (Discontinued)	-	14,107
(c)	Segment - Travel	337	647
(d)	Segment - Others	12,218	-
(e)	Unallocated Assets	25,451	2,112
	Total	46,671	23,008
4	Segment Liabilities		
(a)	Segment - Forex	2,095	1,897
(b)	Segment-International Money Transfer (Discontinued)	-	4,115
(c)	Segment - Travel	140	679
(d)	Segment - Others	1,413	-
(e)	Unallocated Liabilities	6,542	1,140
	Total	10,190	7,831
5	Capital Employed		
(a)	Forex	6,571	4,245
(b)	International Money Transfer (Discontinued)	-	9,993
(c)	Travel	197	-32
(d)	Others	10,805	0
(e)	Unallocated Assets	25,451	2,112
(f)	Unallocated Liabilities	6,542	1,140
	Total	36,481	15,178

Note 41. Discontinued Operations

During the 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 42. Other Notes

- a As per information available with the company, there are no outstanding dues owed to Small Scale undertakings as on 31.03.2018.
- b Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.
- c Additional information pursuant to Schedule III part I & II of the Companies Act, 2013 other than stated above is either NIL or Not Applicable.
- d The previous Year figures including EPS have been regrouped/re-classified/re-stated wherever necessary to conform with the current presentation and to make them IND AS compliant.
- e Notes 1 to 42 form integral part of Accounts for the year ending 31st March 2018.

PLACE: CHANDIGARH

DATED: 28.05.2018

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

For & on Behalf of Board of Directors

Sd/-

SAT PAUL BANSAL
Chairman cum
Managing Director
DIN-0007799
H. No. 749,
Sec 8, Chandigarh

Sd/-

RAJNEESH BANSAL
Executive Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN – 01361N)

Sd/-

HARDAM SINGH
Company Secretary
FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

Sd/-

TILAK RAJ KHEPAR
Chief Financial Officer
M-7990
H. No. 1629,
Sec. 44B, Chandigarh

Sd/-

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, 2018, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements

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, 2018, 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..

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 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, 2018 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, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with 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 34 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: 28.05.2018

**"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 Fincap Private Limited and PML Realtors Limited) and Malaysian Joint Venture M/s Horizon Remitt SDN BHD as of March 31, 2018 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 its subsidiary companies and Joint Venture.

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, 2018, 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: 28.05.2018

CA. Neeraj Jain
Partner
Membership number: 089477

PAUL MERCHANTS LTD
CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2018

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	As on 31.03.2018	As on 31.03.2017
ASSETS			
(1) Non-Current Assets			
a) Property, Plant and Equipment	1	75,69,99,717	50,36,93,261
b) Capital Work in Progress		3,54,000	1,05,83,414
c) Financial Assets			
i) Investments	2	63,97,089	55,60,080
d) Deferred Tax Assets (Net)	3	65,01,367	99,46,994
e) Other Non-Current Assets	4	2,75,53,954	2,15,71,122
(2) Current Assets			
a) Inventories	5	4,88,92,467	5,15,41,653
b) Financial Assets			
i) Current Investments	6	1,22,17,89,018	8,41,93,401
ii) Trade Receivables	7	15,79,11,613	34,62,38,418
iii) Cash and Bank Balance	8	29,75,45,013	63,50,31,772
iv) Bank Balance other than iii above	8	87,94,84,889	29,61,52,331
v) Loans	9	66,47,90,849	21,01,52,790
c) Current Tax Assets	10	65,54,64,455	9,73,74,447
d) Other Current Assets	11	34,17,307	38,79,687
TOTAL		4,72,71,01,738	2,27,59,19,371
EQUITY AND LIABILITIES			
EQUITY			
Shri Laxmi Ji		1	1
a) Equity Capital	12	1,02,80,000	1,02,80,000
b) Other Equity	13	3,63,20,90,935	1,48,25,79,565
LIABILITIES			
(1) Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	14	13,44,277	39,77,862
ii) Other Financial Liabilities	15	-	32,41,500
b) Provisions	16	1,51,90,393	2,34,17,854
(2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	17	21,52,63,375	17,40,10,040
ii) Trade Payables	18	8,12,52,300	26,64,55,984
b) Other Current Liabilities	19	9,86,47,966	18,15,87,636
c) Provisions	20	67,30,32,491	13,03,68,929
TOTAL		4,72,71,01,738	2,27,59,19,371
Significant Accounting Policies & Notes on Financial Statements 1-43			
<p>PLACE: CHANDIGARH DATED: 28.05.2018</p> <p>For & on Behalf of Board of Directors</p> <p>Sd/- SAT PAUL BANSAL Chairman cum Managing Director DIN-0007799 H. No. 749, Sec 8, Chandigarh</p> <p>Sd/- HARDAM SINGH Company Secretary FCS-5046 H. No. 12D, Angel Appt. Zirakpur</p> <p>Sd/- RAJNEESH BANSAL Executive Director DIN-00077230 H. No. 749, Sec 8, Chandigarh</p> <p>Sd/- TILAK RAJ KHEPAR Chief Financial Officer M- 7990 H. No. 1629, Sec. 44B, Chandigarh</p> <p>AUDITOR'S REPORT: As per our Separate Report of the Even Date</p> <p>For Jain & Associates CHARTERED ACCOUNTANTS (FRN – 01361N)</p> <p>Sd/- CA. NEERAJ JAIN Partner (M. No. 089477)</p>			

PAUL MERCHANTS LTD
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH 2018

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	CURRENT YEAR 31.03.2018	PREVIOUS YEAR 31.03.2017
I. REVENUE			
Revenue from Operations	21	45,44,12,08,105	28,91,02,19,141
Other Income	22	11,52,97,769	5,45,17,925
III Total Income (I+II)		45,55,65,05,874	28,96,47,37,066
IV. EXPENSES			
Purchase of Foreign Exchange and Services	23	44,79,22,08,284	28,50,01,17,537
Changes in Inventories of Stock in Trade	24	26,49,186	-1,83,90,017
Direct Expenses	25	22,04,20,724	14,64,05,940
Office & Administrative Expenses	26	11,08,02,386	7,05,16,258
Employee Benefit Expenses	27	14,55,76,296	10,16,13,261
Finance Costs	28	2,01,05,963	1,77,88,339
Sales Promotion Expenses	29	82,84,215	43,04,540
Corporate Social Responsibility Expenses	30	59,67,282	57,46,209
Other Expenses	31	31,15,930	35,45,117
Depreciation	1	3,50,73,082	2,90,50,590
TOTAL EXPENSES IV		45,34,42,03,348	28,86,06,97,773
V. PROFIT BEFORE EXCEPTIONAL ITEMS & TAX (III - IV)		21,23,02,526	10,40,39,293
VI. EXCEPTIONAL ITEMS		-	26,66,099
VII. PROFIT BEFORE TAX (V - VI)		21,23,02,526	10,13,73,194
VIII. TAX EXPENSE			
(1) Current Tax		5,85,29,604	3,50,53,489
(2) Prior Period Tax		-	-
(2) Deferred Tax	39	36,25,983	21,58,945
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII - VIII)		15,01,46,939	6,41,60,760
IX. Profit/(Loss) from Discontinued Operations	32	2,58,26,26,405	23,26,53,483
XI (1) Tax Expense of Discontinued Operations		59,77,15,647	8,03,11,982
(2) Prior Period Tax		-	8,94,91,142
XII PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X-XI)		1,98,49,10,758	6,28,50,358
Share of Profit (Loss) of associates and joint ventures accounted for using equity method	37	8,37,009	11,93,540
XIV PROFIT/(LOSS) FOR THE PERIOD (IX+XII+XIII)		2,13,58,94,706	12,82,04,659
XV OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined benefit obligations		-8,21,908	-38,18,155
(ii) Income tax relating to items that will not be reclassified to profit or loss		2,84,446	13,18,054
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		-	-
XVI TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIV+XV)		2,13,53,57,244	12,57,04,557
Profit or loss, attributable to:			
Owners of the Company		2,13,46,01,621	12,82,04,659
Non-controlling interests		12,93,085	-
Total Comprehensive income for the period attributable		2,13,40,64,159	12,57,04,557
Owners of the Company		12,93,085	-
Non-controlling interests		-	-
XVII EARNING PER EQUITY SHARE (FOR CONTINUING OPERATION)	35		
1) BASIC		146.87	62.41
2) DILUTED		146.87	62.41
XVIII EARNING PER EQUITY SHARE (FOR DISCONTINUED OPERATION)	35		
1) BASIC		1,930.85	61.14
2) DILUTED		1,930.85	61.14
XIX EARNING PER EQUITY SHARE (FOR CONTINUING & DISCONTINUED OPERATION)	35		
1) BASIC		2,077.72	124.71
2) DILUTED		2,077.72	124.71

Significant Accounting Policies & Notes on Financial Statements 1-43

PLACE: CHANDIGARH
DATED: 28.05.2018

For & on Behalf of Board of Directors

Sd/-
SAT PAUL BANSAL
Chairman cum Managing Director
DIN-0007799
H. No. 749,
Sec 8, Chandigarh

Sd/-
HARDAM SINGH
Company Secretary
FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

Sd/-
RAJNEESH BANSAL
Executive Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

Sd/-
TILAK RAJ KHEPAR
Chief Financial Officer
M 7990
H. No. 1629
Sec. 44B, Chandigarh

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN – 01361N)

Sd/-
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 31st March, 2018

Particulars	Amount (Rs)
Balance at the beginning of the reporting period	1,02,80,000
Changes in equity share capital during the year	-
Balance at the end of the reporting period	1,02,80,000

Changes in equity share capital for the year ended 31st March, 2017

Particulars	Amount (Rs)
Balance at the beginning of the reporting period	1,02,80,000
Changes in equity share capital during the year	-
Balance at the end of the reporting period	1,02,80,000

B Other Equity

Changes in other equity for the year ended 31st March, 2018

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Security premium Account	Other Statutory reserve	Retained Earnings	Remeasurement of Net defined benefit Asset/Liability (net of tax)	
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)		0.31
Adjustment in Reserves for Goodwill generated on Consolidation			(41,66,55,844)		(41,66,55,844)
Less- Non Controlling Interest	(8,39,95,568)	(6,01,984)	(26,56,345)		(8,72,53,897)
Total Non Controlling Interest					12,83,95,637
Balance as on 31.03.2018	30,18,04,032	21,26,863	3,20,03,01,866	(5,37,462)	3,63,20,90,936

Changes in other equity for the year ended 31st March, 2017

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Security premium Account	Other Statutory reserve	Retained Earnings	Remeasurement of Net defined benefit Asset/Liability (net of tax)	
Balance as on 01.04.2016	50,40,000	-	1,37,79,40,594	-	1,38,29,80,594
Net Profit / Loss for the year	-	-	12,82,04,659	-	12,82,04,659
OCI - Remeasurement of net defined benefit plans	-	-	-	(25,00,101)	(25,00,101)
Share of Accumulated profit (loss) of associates and joint ventures accounted for using equity method	-	-	(2,61,05,586)	-	(2,61,05,586)
Non Controlling Interest	-	-	-	-	-
Balance as on 31.03.2017	50,40,000	-	1,48,00,39,667	(25,00,101)	1,48,25,79,565

Significant Accounting Policies & Notes on Financial Statements 1-43

PLACE: CHANDIGARH

DATED: 28.05.2018

For & on Behalf of Board of Directors

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

Sd/-

SAT PAUL BANSAL
Chairman cum Managing Director
DIN-0007799
H. No. 749,
Sec 8, Chandigarh

Sd/-

RAJNEESH BANSAL
Executive Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN – 01361N)

Sd/-

HARDAM SINGH
Company Secretary
FCS-5046
H. No. 12D, Angel Appt. Zirakpur

Sd/-

TILAK RAJ KHEPAR
Chief Financial Officer
M-7990
H. No. 1629 Sec. 44B, Chandigarh

Sd/-

CA. NEERAJ JAIN
Partner
(M. No. 089477)

PAUL MERCHANTS LTD
CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH, 2018

CIN-L74900DL1984PLC018679

Amount (in Rupees)

PARTICULARS	CURRENT YEAR 31.03.2018	PREVIOUS YEAR 31.03.2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	2,79,49,44,033	33,40,68,161
Adjustment for:		
Depreciation	3,50,73,082	2,90,50,590
Profit/Loss on Sale of Fixed Assets/Investments	(6,73,398)	6,64,860
Gain on Sale of MTSS business	(2,63,00,10,000)	-
Gain on Sale of Investments	(1,00,90,584)	-
Finance Cost	2,01,05,963	1,77,88,339
Short Term Provisions	54,26,63,562	8,12,317
Long Term Provisions	(82,27,461)	-
Rental Income	(32,53,772)	(13,66,166)
Interest Income	(4,86,23,569)	(2,22,10,050)
Dividend Received	(1,07,35,654)	(32,37,160)
Other Adjustments	1,39,73,770	-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	69,51,45,972	35,55,70,891
Adjustment for :		
Net changes in operating Assets & Liabilities		
Decrease/(Increase) in Inventory	26,49,185	(1,83,90,016)
Long Term Loans & Advances	-	-
Increase in Current Investments	(1,12,75,05,032)	(3,32,34,488)
Decrease in Trade receivable	18,83,26,804	8,21,93,227
Increase in Other Bank Balance	(58,33,32,558)	(2,42,39,663)
Increase in Current Tax Assets	(55,80,90,007)	10,94,08,669
Decrease in Short Term Loans & Advances	(45,46,38,059)	(13,76,12,139)
Decrease in Other Current Assets	4,62,380	35,859
Decrease in Trade Payables	(18,52,03,684)	(2,40,64,309)
Decrease in Other Current Liabilities	(8,29,39,670)	7,14,77,863
CASH FROM/(USED IN) OPERATIONS	(2,10,51,24,670)	38,11,45,892
Income Taxes Paid	(65,59,60,806)	(20,35,38,559)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(2,76,10,85,476)	17,76,07,333
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	2,64,88,84,325	32,26,730
Purchase of Fixed Assets	(29,63,51,050)	(3,40,19,492)
Increase of Non Current Investments	(8,37,009)	81,53,260
Increase in Other Non Current Assets	(59,82,831)	79,00,522
Decrease in Other Long Term Liabilities	(32,41,500)	(95,145)
Rental Income	32,53,772	13,66,166
Interest Income	4,86,23,569	2,22,10,050
Dividend Income	1,07,35,654	32,37,160
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	2,40,50,84,929	1,19,79,251
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings (Net of Repayments)		
Long Term Borrowings	(26,33,585)	(6,28,84,392)
Short Term Borrowings	4,12,53,336	3,54,61,301
Finance Cost	(2,01,05,963)	(1,77,88,339)
NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	1,85,13,788	(4,52,11,431)
Net Change in Cash & Cash Equivalents (A+B+C)	(33,74,86,759)	14,43,75,153
Cash and Cash equivalent at the beginning of the year	63,50,31,772	49,06,56,619
Cash and Cash equivalents at the end of the year	29,75,45,013	63,50,31,772

Place : Chandigarh.

Dated : 28.05.2018

For & on behalf of Board of Directors

Sd/-
(HARDAM SINGH)
Company Secretary

Sd/-
(TILAK RAJ KHEPAR)
Chief Financial Officer

Sd/-
(RAJNEESH BANSAL)
Executive Director

Sd/-
(SAT PAUL BANSAL)
Managing Director

FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

M-7990
H. No. 1629
Sec. 44B, Chandigarh

DIN-00077230
H. No. 749,
Sec 8, Chandigarh

DIN-0007799
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 2018. 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: 28.05.2018

Sd/-
CA. NEERAJ JAIN
Partner
(M. No. 089477)

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

i) For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013. In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017, the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS. The company has applied IND AS to items which are material and made specific disclosure required by an Ind AS if the information is material or when required by law in accordance with said notification.

ii) The Company had prepared a separate set of financial statements for the year ended March 31, 2017 and March 31, 2016 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company. The management of the Company has compiled the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments.

(iii) The Company has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2016. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind AS and of the Profit/ (Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS.

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 Limited and Paul Fincap 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. As the investment in both the subsidiaries is made during the financial year 2017-18, the comparative figures for previous year 2016-17 reflect consolidation of Standalone and Joint Venture (using Equity Method) impact only.

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 has 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.

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.

I Foreign Currency Transactions

- 1 The Company used to undertake Inward Money Transfer Services in Association with Western Union Financial Service Inc. U.S.A. and Continental Exchange Solutions Inc USA and in the process receives the remittances in US Dollars, which are credited to the Company's Bank account at the exchange rates prevailing on the date of receipt.
- 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

J 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.

K Inventories

Stock of Foreign Currency/TC and Stock of Shares held for trading purposes has been valued at cost.

L 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.

M 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.

N 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.

O 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.

P 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.

Q 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.

R 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.

S 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 MARCH 2018

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 2017	Additions	Disposals	Balance as at 31st Mar 2018	Balance as at 1 April 2017	Depreciation charge for the year	On disposals	Balance as at 31st Mar 2018	Balance as at 31st March 2017	Balance as at 31st Mar 2018
Land	23,56,71,632	21,01,40,207	-	44,58,11,839	-	-	-	-	23,56,71,632	44,58,11,839
Buildings	25,40,05,068	4,70,94,986	-	30,11,00,054	3,44,98,241	1,10,96,340	-	4,55,94,581	21,95,06,827	25,55,05,473
Computers & Desktop	4,46,19,638	22,42,577	1,09,98,461	3,58,63,754	3,81,15,629	36,93,681	99,31,204	3,18,78,105	65,04,009	39,85,649
Servers & Networks	1,13,79,050	-	78,310	1,13,00,740	83,39,002	11,02,698	71,729	93,69,972	30,40,047	19,30,768
Furniture and Fittings	4,60,28,891	45,42,153	1,29,42,052	3,76,28,992	3,41,62,018	38,93,773	1,15,14,582	2,65,41,209	1,18,66,873	1,10,87,782
Motor Cars	4,40,90,569	2,06,33,732	1,05,40,299	5,41,84,002	2,87,89,520	94,52,931	90,62,429	2,91,80,022	1,53,01,049	2,50,03,980
Motor Cycles	84,140	-	-	84,140	65,804	5,081	-	70,885	18,336	13,255
Office Equipments	1,47,09,521	9,50,721	39,14,451	1,17,45,792	1,09,72,704	17,09,283	30,97,838	95,84,150	37,36,817	21,61,642
Electrical Installations & Equipments	1,97,35,031	13,77,111	45,19,453	1,65,92,689	1,33,28,200	17,77,202	30,81,129	1,20,24,273	64,06,831	45,68,417
Plant & Machinery	51,45,586	11,24,321	-	62,69,907	9,59,228	8,14,629	-	17,73,856	41,86,358	44,96,051
Leasehold Improvements	22,12,712	32,94,486	17,77,256	37,29,942	1,61,474	15,27,464	3,93,858	12,95,080	20,51,238	24,34,862
Construction Work in Progress	1,05,83,414	3,54,000	1,05,83,414	3,54,000	-	-	-	-	1,05,83,414	3,54,000
Total Current Year	68,82,65,252	29,17,54,294	5,53,53,696	92,46,65,849	16,93,91,820	3,50,73,082	3,71,52,769	16,73,12,133	51,88,73,432	75,73,53,717
Total Previous Year	65,47,94,429	3,40,19,492	89,41,512	67,98,72,409	14,15,95,066	2,90,50,590	50,49,922	16,55,95,734	51,31,99,363	51,42,76,675

Note 2: NON CURRENT INVESTMENTS

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 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	63,97,089	55,60,080
Total	63,97,089	55,60,080

Note 3: DEFFERED TAX ASSETS

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)
Opening Balances	1,01,27,350	1,21,05,939
Add/Less: Deferred Tax Assets created/(written back) during the year	(36,25,983)	(21,58,945)
Total	65,01,367	99,46,994

Note 4: OTHER NON CURRENT ASSETS

Particulars	As at 31st Mar 2018	As at 31st Mar 2017
Term Deposit Accounts with more than 12 months maturity	-	30,67,169
Advance against Properties	2,75,53,954	1,85,03,954
Total	2,75,53,954	2,15,71,122

Note 5: INVENTORIES

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)
Stock of Foreign Currency at Cost	4,88,27,307	5,14,76,493
Stock Of Shares at Cost	65,160	65,160
Total	4,88,92,467	5,15,41,653

Note 6: FINANCIAL ASSETS -CURRENT INVESTMENTS

Particulars	As at 31st Mar 2018	As at 31st Mar 2017
Investments measured at Fair Value Through Profit & Loss		
Investment in Mutual Funds		
DSP Black Rock Income opportunity Fund	13,63,51,918	8,41,93,401
Aditya Birla Sun Life Equity Savings Fund Direct	39,80,734	-
Aditya Birla Sunlife Pure Value Fund	13,87,641	-
Aventus Enhanced Return Fund	3,08,29,487	-
Axis Focused 25 Fund Direct Plan Growth	70,08,290	-
HDFC Equity Savings Fund Direct Plan Growth	74,34,667	-
ICICI Prudential Arbitrage Fund Monthly Dividend	2,54,70,341	-
L&T India Value Fund-Regular Plan -Growth	2,76,031	-
Reliance Arbitrage Advantage Fund Monthly Dividend	5,27,81,086	-
Aditya Birla Sun Life Corporate Bond Fund	1,18,947	-
ABSL Cash Manager Fund	2,45,65,607	-
Birla Sun Life Floating Rate Fund Short Term Plan	5,01,45,756	-
ICICI Prudential Liquid Direct Plan Growth	4,51,24,474	-
ICICI Prudential Regular Savings Fund - Growth	5,08,84,551	-
L&T Income Opportunities Fund - Regular Plan	5,09,59,827	-
L&T Liquid Fund	7,12,914	-
HDFC Liquid Fund	9,16,967	-
IDFC Ultra Short Term Fund	6,11,134	-
Ambit Alpha Fund Scheme	1,01,29,338	-
HDFC Capital Builder Fund- Growth	3,75,132	-
HDFC MID-CAP opportunities Fund - Growth	1,87,935	-
IDFC Sterling Equity Fund -Regular Plan-Growth	3,63,454	-
8.25 MLD Debentures - IIFL Wealth Finance Limited	1,05,41,963	-
Investments in Bonds and debentures -Quoted at FVTPL		
7.03 % Housing and Urban Development Corporation Limited	1,24,36,918	-
8.56 % Housing and Urban Development Corporation Limited	2,57,89,330	-
8.48% India Infrastructure Finance Company Limited	6,10,49,453	-
8.54% Power Finance Corporation Limited Tax Free Bonds	6,05,72,465	-
Bonds in Rural Electrification Corporation Limited	2,31,94,688.88	-
7.22% Rural Electrification Corporation Limited	1,38,43,972.82	-
Zero Coupon Nabard Bonds	6,54,86,105	-
Investments in Bonds and debentures -Unquoted at FVTPL		
Rural Electrification Corporation Limited -Capital Gain Bonds	50,56,815	-
Investments in Preference Shares- Quoted		
7.50% Vedanta Limited	4,80,30,239	-
6% Zee Entertainment Enterprises Limited	2,25,31,863	-
Investments in Equity- Unquoted		
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		
Estee Advisors Private Limited -PMS	5,03,38,975	-
India Real Estate Fund	50,00,000	-
Total (A)	1,22,17,89,018	8,41,93,401
Total	1,22,17,89,018	8,41,93,401

Note 7: FINANCIAL ASSETS- TRADE RECEIVABLES

Particulars	As at 31st Mar 2018	As at 31st Mar 2017
A. Trade receivables outstanding for a period less than six months		
1. Unsecured, considered good	14,60,82,095	31,61,94,601
	14,60,82,095	31,61,94,601
B. Others		
1. Unsecured, considered good	1,18,29,518	3,00,43,817
	1,18,29,518	3,00,43,817
Total	15,79,11,613	34,62,38,418

Trade Receivable stated above include debts due by:

Particulars	As at 31st Mar 2018	As at 31st Mar 2017
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 & BANK BALANCES

Particulars	As at 31st Mar 2018	As at 31st Mar 2017
A. Cash and cash equivalents		
i) Cash in hand	5,42,78,609	10,28,01,522
ii) In Current Accounts	24,32,66,404	48,15,12,508
iii) In Term Deposit Accounts with <= to 3 months maturity	-	5,07,17,742
Total (A)	29,75,45,013	63,50,31,772
B. Other Balances with Banks		
i) In Term Deposit Accounts with > 3 month and <12 months maturity	63,55,63,784	92,17,493
ii) In earmarked Term Deposit Accounts		
a. Security against borrowings	23,70,68,181	27,89,26,993
b. Margin money	51,18,241	61,30,728
c. Guarantees & Other Commitments	16,08,398	17,36,574
iii) In EEFC Accounts	1,24,716	1,24,352
iv) In Unclaimed dividend accounts	1,569	16,190
Total (B)	87,94,84,889	29,61,52,331
Total (A+B)	1,17,70,29,902	93,11,84,103

Note 9: FINANCIAL ASSETS - SHORT TERM LOANS & ADVANCES

Amount (In Rs.)

Particulars	As at 31st Mar 2018	As at 31st Mar 2017
A. Unsecured, Considered Good		
1. Advances to Other Parties (Net)	64,90,21,448	18,14,96,770
2. Security Deposits	1,15,89,754	2,18,00,437
3. Loans and advances to employees	17,15,297	32,38,119
4. Staff Imprest	12,65,622	17,98,964
5. Claims Recoverable	11,98,728	18,18,500
Total	66,47,90,849	21,01,52,790

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 2018	As at 31st Mar 2017
Directors	-	4,95,00,000
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member as trade advance		3,02,77,750
	-	7,97,77,750

Note 10: OTHER CURRENT ASSETS

Particulars	As at 31st Mar 2017 Amount (In Rs.)	As at 31st Mar 2016 Amount (In Rs.)
Prepaid expenses	34,17,307	38,79,687
Total	34,17,307	38,79,687

Note 11: Current tax Assets

Amount (In Rs.)

Particulars	As at 31st Mar 2018	As at 31st Mar 2017
1. Balances with government authorities		
a. CENVAT credit /GST Input Credit	79,25,077	8,07,746
b. Advance Tax	63,78,00,000	9,00,00,000
c. Tax Deducted at Source	97,39,378	65,66,702
Total	65,54,64,455	9,73,74,447

Note 13: OTHER EQUITY

Amount (In Rs.)

Particulars	As at 31st Mar 2018		As at 31st Mar 2017
A. Securities Premium Account			
Opening Balance- Parent	50,40,000		50,40,000
Opening Balance- Subsidiaries	57,00,000	1,07,40,000	
Add : Securities premium credited on Share issue		37,50,59,600	-
Less : Non Controlling Interest		8,39,95,568	
Closing Balance		30,18,04,032	50,40,000
B. Statutory Reserve			
Opening Balance		15,03,193	-
(+) Current Year Transfer		12,25,653	-
Less : Non Controlling Interest		6,01,984	
Closing Balance		21,26,863	-
C. Reserves and Surplus			
Opening Balance- Parent	1,47,75,39,565		1,37,79,40,594
Opening Balance- Subsidiaries	74,05,437	1,48,49,45,002	
(+) Profit for Current Year		2,13,58,94,706	12,82,04,659
Other Comprehensive Income (net of tax)		(5,37,462)	(25,00,101)
Less: Transferred to Statutory Reserves		(12,25,653)	
Less: Accumulated Share of (Loss)/Profit Malaysian JV		-	(2,61,05,586)
Less : Non Controlling Interest		(26,56,345)	
Less: Goodwill adjusted with reserves		(41,66,55,844)	-
Closing Balance		3,19,97,64,404	1,47,75,39,565
Other Equity Attributable to Owners		3,50,36,95,298	1,48,25,79,565
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		3,63,20,90,935	1,48,25,79,565

Note 14: NON CURRENT FINANCIAL LIABILITIES: BORROWINGS

Particulars	As at 31st Mar 2018	As at 31st Mar 2017
SECURED		
A. Non-Current Maturities of Term Loans		
1. From Banks		
Car Loans from KOTAK MAHINDRA Bank (Secured by Hypothecation of Cars)	13,44,277	39,77,862
Total	13,44,277	39,77,862

Note 15: OTHER LONG TERM FINANCIAL LIABILITIES

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)
Security deposits received from WU	-	32,41,500
Security deposits received from Agents	-	-
Total	-	32,41,500

Note 16: LONG TERM PROVISIONS

Particulars	As at 31st Mar 2018	As at 31st Mar 2017
(a) Provision for employee benefits		
Gratuity - Unfunded	1,51,90,393	2,34,17,854
Total	1,51,90,393	2,34,17,854

CURRENT FINANCIAL LIABILITIES

Note 17: CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)
A. SECURED		
Loans repayable on demand- From Banks		
(i) Cash Credit Facility (CC)	-	7,10,53,710
(ii) Temporary Over Draft Facility (TOD)	-	-
(iii) Over Draft Facility (OD)	16,98,24,883	9,66,22,542
[(i)&(ii) are Secured by Current Assets (future & current) and personal properties of Directors with personal guarantee, (iii) is Secured by Hypothecation of Fixed deposits with Respective Banks]		
B. Current maturities of long-term debt	4,54,38,492	63,33,788
Total	21,52,63,375	17,40,10,040

Terms and Schedule of Repayment

	Rs in Lakhs	
Rate of Interest	2018-19	2019-20
Car loan		
9.00%	2.19	-
9.00%	5.48	-
8.99%	3.32	1.94
8.88%	9.82	6.66
8.95%	5.00	4.84
Term Loan -9.5%	428.57	-
Total	454.38	13.44

Note 18: FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at 31st Mar 2018 Amount (In Rs.)	As at 31st Mar 2017 Amount (In Rs.)
Sundry Creditors	8,12,52,300	26,64,55,984
Total	8,12,52,300	26,64,55,984

Note 19: OTHER CURRENT LIABILITIES

Amount (In Rs.)

Particulars	As at 31st Mar 2018	As at 31st Mar 2017
(a) Expenses Payable	3,40,51,439	4,17,76,370
(b) Interest accrued and due on borrowings	3,48,425	
(c) Unclaimed dividends	825	7,953
(d) Advance From Customer	5,75,05,243	12,44,59,519
(e) Other payables		
(i) PF Payable	11,98,442	21,15,879
(ii) ESI Payable	2,34,197	4,07,359
(iii) Service Tax Payable	-	49,372
(iv) TDS Payable	32,08,948	1,27,71,183
(v) GST Payable	21,00,448	-
Total	9,86,47,966	18,15,87,636

Note 20: SHORT TERMS PROVISIONS

Particulars	As at 31st Mar 2018	As at 31st Mar 2017
(a) Provision for employee benefits		
Gratuity - Unfunded	29,76,659	11,59,729
Leave Encashment	38,17,162	52,25,965
Bonus	76,90,989	99,35,818
(b) Others (Specify nature)		
Provision for Taxes	65,67,73,732	11,40,47,417
Provision for NPA	7,96,088	
Contingent Provision Against Standard Assets	9,77,861	
Total	67,30,32,491	13,03,68,929

Note 21: REVENUE FROM OPERATIONS

Particulars	For the Year ended Amount (In Rs.)	For the Year ended Amount (In Rs.)
Sale of Services		
Foreign Exchange	44,86,49,00,349	28,45,51,19,907
Service Charges	1,86,53,389	1,11,17,452
Sales of Air Tickets	38,46,33,303	35,79,52,941
Sales of Hotel Bookings & Packages	5,80,76,628	5,67,24,689
Interest Income - Paul Fincap	4,18,20,759	
Income from Domestic Money Transfer Service	77,98,342	
Total - Sale of Services	45,37,58,82,770	28,88,09,14,989
Other Operating Revenues		
Rewards & Incentives	5,87,05,347	2,32,35,852
Credit Card Encashment	66,19,988	60,68,300
Total - Other Operating Revenues	6,53,25,335	2,93,04,152
Total Revenue From Operations	45,44,12,08,105	28,91,02,19,141

Note 22: OTHER INCOME

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
A. Interest Income		
1. Interest on Bank Deposits	4,34,88,420	2,17,94,125
2. Other Interest	51,35,149	4,15,925
3. Interest on Income Tax Refund	1,27,677	-
B. Dividend Income	1,07,35,654	32,37,160
C. Net Gain on Sale of investments	1,00,90,584	-
D. Other non-operating income (net of expenses directly attributable to such income)		
1. Rental Income	32,53,772	13,66,166
2. Profit on sale of Fixed Assets	18,21,509	-
3. Exchange Rate Variations on Forex Transactions	5,30,228	1,66,316
4. Franchisee Fees	25,542	10,000
5. Miscellaneous Income	3,67,31,120	2,75,28,233
6. Unrealized Gain on Investments	33,58,115	-
Total	11,52,97,769	5,45,17,925

Note 23: Purchase of Foreign Exchange and Services

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Foreign Exchange	44,37,29,26,465	28,10,69,00,825
Air Tickets	36,68,79,315	34,13,03,315
Hotel Bookings & Packages	5,24,02,504	5,19,13,397
Total	44,79,22,08,284	28,50,01,17,537

Note 24: Changes in Inventories of Stock in Trade

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Closing Stock of Foreign Exchange	4,88,27,307	5,14,76,494
Opening Stock of Foreign Exchange	5,14,76,494	3,30,86,477
NET DECREASE/(INCREASE)	26,49,186	-1,83,90,017

Note 25: DIRECT EXPENSES

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
COMMISSION AND INCENTIVES	22,04,20,724	14,64,05,940
Total	22,04,20,724	14,64,05,940

Note 26: OFFICE & ADMINISTRATIVE EXPENSES

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Bad Debts and Balances Written Off	6,64,407	3,66,557
Communication Expenses	60,61,127	73,28,910
Computer Expenses	75,35,986	30,72,541
Conference Expenses	2,48,451	65,540
Conveyance Expenses	27,06,719	32,74,820
Generator Running Expenses	88,553	2,36,846
Insurance	23,61,404	9,77,810
Legal, Professional & Outsourcing	75,53,461	53,19,516
Loss on fixed assets sold/scrapped/written off	11,48,111	6,64,860
Payments to Auditors-		
- Statutory Audit Fees	1,74,500	1,50,000
- Tax Audit Fees	65,000	50,000
Postage & Telegram	11,87,280	11,33,159
Power and Water Expenses	40,58,682	46,14,257
Printing and stationery	27,82,942	23,12,689
Rates and taxes	83,05,485	20,50,158
Rent	4,39,24,947	2,65,58,099
Repairs and maintenance	28,19,067	16,03,116
Security Services	52,96,660	4,89,923
Travelling Expenses	1,11,11,847	88,38,636
Vehicle Running & Maintenances	12,46,511	12,85,940
Preliminary Expense	1,76,756	-
Contingent Provision on Standard Assets	5,85,426	-
Provision on NPA	3,40,323	-
Office Expenses	3,58,740	1,22,830
Total	11,08,02,386	7,05,16,258

Note 27: EMPLOYEE BENEFIT EXPENSES		
Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Salaries & Allowances	10,13,54,790	7,33,95,771
Bonus & Incentives	1,02,07,895	68,04,600
Leave Encashment	56,34,390	38,48,560
Contributions to:		
(i) Provident Fund	1,22,36,350	99,03,295
(ii) ESI	33,91,172	20,63,603
Gratuity	61,27,969	-4,26,671
Staff Recruitment Expenses	52,040	1,93,772
Staff welfare expenses	65,71,691	58,30,331
Total	14,55,76,296	10,16,13,261

Note 28: FINANCE COSTS

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Interest Expenses:		
Interest on Demand Loans	1,31,19,601	79,57,984
Interest on Term Loans	85,379	39,40,144
Interest on Car Loans	5,21,958	5,26,868
Other Finance Expenses:		
Bank Charges	48,02,131	37,80,015
Credit Card Charges	15,76,893	15,83,328
Total	2,01,05,963	1,77,88,339

Note 29: SALES PROMOTION EXPENSES

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Advertisement & Publicity	17,07,693	42,15,036
Business Promotion	65,76,522	89,503
Total	82,84,215	43,04,540

Note 30: CSR- CORPORATE SOCIAL RESPONSIBILITY

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Gross Amount Required to be spent by the Co. During the Year	59,52,381	54,79,418
A) Amount Spent During the year	Amount Paid	Amount Paid
Animal Welfare	36,000	97,572
Environment sustainability	58,113	72,092
Promoting Healthcare	11,41,288	40,70,916
Making available safe drinking water	1,78,000	82,428
Eradicating hunger	9,54,424	6,25,555
Employment enhancing Vocation skills	-	1,39,986
Promoting education	5,54,214	4,77,660
Women Empowerment	2,49,243	
Old Age Home	25,00,000	
Administrative overheads(Prop Salary of one employee dedicated for CSR activities)	2,96,000	1,80,000
B) Amount yet to be spent	NIL	NIL
Total	59,67,282	57,46,209

Note 31: OTHER EXPENSES

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Donations	2,79,203	3,95,229
Fees & Subscriptions	5,91,163	9,43,434
Guest House Expenses	22,45,564	22,06,454
Total	31,15,930	35,45,117

Note 32: DISCONTINUED OPERATIONS-

Particulars	For the Year ended 31st Mar 2018 Amount (In Rs.)	For the Year ended 31st Mar 2017 Amount (In Rs.)
Revenue from Discontinued Operations		
Charges Received from IMT	50,70,95,956	95,72,73,683
Rewards Incentive	1,67,71,187	5,86,26,932
Total Revenue	52,38,67,143	1,01,59,00,615
Expenses	49,78,91,669	78,32,47,133
Profit before tax from Discontinued Operations (1)	2,59,75,475	23,26,53,483
Tax on above	89,89,170	8,03,11,982
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	23,26,53,483

Note 12: SHARE CAPITAL

A. Authorised, Issued, Subscribed & Paid up Share Capital and Par Value per Share

Particulars	As at 31st Mar 2018		As at 31st Mar 2017	
	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 2018		As at 31st Mar 2017	
	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 2018		As at 31st Mar 2017	
	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 33. MANAGERIAL REMUNERATION

During the year the company paid an amount of Rs. 256.59 Lacs (Previous Yr Rs. 363.80 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	162.86
Mr. Rajneesh Bansal	Executive Director	86.11
Mr. Dharam Pal Sharma	Whole Time Director	7.62
Total		256.59

Note 34. CONTINGENT LIABILITY NOT PROVIDED FOR

Particulars	As at 31 March 2018 (Rs. In Lacs)	As at 31 March 2017 (Rs. In Lacs)
Claims against company not acknowledged as Debt	149.58	142.80
Bank Guarantees	95.13	32.17
Service Tax Demand Notice pending Departmental Appeal with High Court (excl. Interest)	335.42	335.42
Corporate Guarantee in Respect of JV in Malaysia	1,296.60	1,296.60
Capital Commitments	-	-
Total	1,876.73	1,806.99

Note 35. Earnings per Share

(As per IND AS 33 issued by ICAI)

Particulars	As at 31 March 2018 Amount (In Rs.)	As at 31 March 2017 Amount (In Rs.)
Earnings per Share- Continuing Operations		
Net Profit for the Year (Rs.)	15,09,83,948	6,53,54,300
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	146.87	63.57
Earnings per Share - Discontinued Operations		
Net Profit for the Year (Rs.)	1,98,49,10,758	6,28,50,358
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	1,930.85	61.14
Earnings per Share - Continuing and Discontinued Operations		
Net Profit for the Year (Rs.)	2,13,58,94,706	12,82,04,659
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	2,077.72	124.71

Note 36. Employee Benefits*(As per IND AS 19 issued by ICAI)*

Particulars of Defined Contribution Plan	As at 31 March 2018 Amount (In Rs.)	As at 31 March 2017 Amount (In Rs.)
Contribution to Provident Fund & ESI during the financial year	1,56,27,522	1,19,66,898

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 2018	As at 31 March 2017
Interest in JV (%)	19.42%	19.42%
Value of Capitalized Investment in JV	304.72	304.72
Proportional Interest in		
- Assets	144.81	97.19
- Liabilities	116.74	80.57
Share of Income from JV	8.37	11.94
Expenditure Incurred	-	-

Note 38. Related Party Disclosures

(Disclosure as per Ind AS 24)

A. List of Related Parties

Name of Related Party	Relationship
Sh. Sat Paul Bansal	Chairman cum Managing Director
Sh. Sandeep Bansal	Director
Sh. Rajneesh Bansal	Executive Director
Sh. Dharam Pal Sharma	Whole Time Director
Smt. Sarita Rani Bansal	Non-Executive Director
Smt. Nita Bansal	Relative of Key Management Personnel
Sh. Tilak Raj Khepar	Key Management Personnel
Sh. Hardam Singh	Key Management Personnel
Paul Distributors	Partnership Firm in which Directors are Partners
Paul Fincap Pvt. Ltd.	Subsidiary Company
PML Realtors Pvt Ltd	Subsidiary Company
Talk More Communications (P) Ltd	Private Company in which one Director is also a Director
Paul Energy Projects Pvt Ltd	Private Company in which three Directors are also Directors and Shareholders
Paul Excursions Private Limited	Private Company in which two Directors are also Directors and Shareholders
PML Holidays Private Limited	Private Company in which two Directors are also Directors and Shareholders
Paul Fast Remit Private Limited	Private Company in which three Directors are also Directors and Shareholders
Paul Overseas Pvt Ltd	Private Company in which two Directors are also Directors and Shareholders
Paul E- Commerce Private Limited	Private Company in which two Directors are also Directors and Shareholders
Divya Broadcasting Network Private Limited	Private Company in which two Directors are also Directors and Shareholders
Paul Broadcasting Private Limited	Private Company in which two Directors are also Directors and Shareholders
Prabhsharanshanti Films Private Limited	Private Company in which one Director is also a Director
Pure Shop LLP	LLP in which one Director is also a Designated Partner
BBSM Films Private Limited	Private Company in which One Director is also Director and Shareholder
Chandigarh Network Systems Private Limited	Private Company in which One Director is also Director and Shareholder
Newsclip Media Private Limited	Private Company in which One Director is also Director and Shareholder
Strikeone Jobs Private Limited	Private Company in which One Director is also Director and Shareholder
INX Music Private Limited	Private Company in which One of the Directors is also Managing Director and Shareholder
PAUL Entertainment Private Limited	Private Company in which One Director is also Director and Shareholder
EBIX Money Express Private Limited	Private Company in which One Director is also a Director
Horizon Remit SDN BHD, Malaysia	Joint Venture Company

A. Related Party Transactions in Ordinary Course of Business

(Rs. In Lacs)

Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Associate Company/ Firm	Related Party	Total
Managerial Remuneration	256.59	-	-	-	256.59
Rent Paid for Premises	153.97	11.55	34.08	-	199.60
Rent Received	-	-	26.67	-	26.67
Purchase of Property	1,500.00	-	-	-	1,500.00
Salary paid	50.18	-	-	-	50.18
Investment in Paul Fincap Pvt Ltd	550.55	-	4,963.60	-	5,514.14
Investment in PML Realtors Pvt Limited	-	-	970.00	-	970.00
Investment in EBIX Money Express Private Limited	-	-	-	3,173.00	3,173.00
Commission Received	-	-	-	30.28	30.28
Service charges	-	-	22.29	-	22.29

There are no transactions with related parties, which are not in ordinary course of business or not at arm's length.

Note 39. Deferred Tax

(As per IND AS 12 Income taxes)

Deferred Tax Assets on Account of Timing Differences	As at 01.04.2017	Arising During the Year	As at 31.03.2018
Depreciation	19,21,315	-12,15,009	31,36,324
Provision for Gratuity	86,32,454	24,01,354	62,31,100
Provision for Leave Encashment	42,165	-21,656	63,821
Provision for Bonus	35,26,225	9,07,914	26,18,311
Carried Forward loss	-	-8,76,638	8,76,638
Net Deferred Tax Asset	1,02,79,529	36,25,983	66,53,546

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 2018	For the Year ended 31st Mar 2017
1	Segment Revenue		
(a)	Forex	4,49,285	2,85,094
(b)	International Money Transfer (Discontinued)	5,239	10,159
(c)	Travel	4,533	4,214
(d)	Others	807	96
	Total	4,59,864	2,99,564
	Less: Inter Segment Revenue		
(a)	Forex	-15	58
(b)	International Money Transfer (Discontinued)	-6	14
(c)	Travel	28	-72
(d)	Others	-7	0
	Net sales/Income From Operations	4,59,864	2,99,564
2	Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#		
(a)	Forex	1,221	1047
(b)	International Money Transfer (Discontinued)	-	0
(c)	Travel	197	-32
(d)	Others	386	51
	Total	1803	1066
	Less:		
i)	Interest	201	178
ii)	Other Un-allocable Expenditure net off	422	128
iii)	Un-allocable income	942	254
	Total Profit Before Tax	2,123	1,014
	Segment - International Money Transfer (Discontinued)	260	2327
	Total Profit Before Tax (Continuing and Discontinued Operations)*	2,383	3,340
3	Segment Assets		
(a)	Segment - Forex	8,665	6,142
(b)	International Money Transfer (Discontinued)	-	14,107
(c)	Segment - Travel	337	647
(d)	Segment - Others	12,227	-
(e)	Unallocated Assets	26,041	1,863
	Total	47,271	22,759
4	Segment Liabilities		
(a)	Segment - Forex	2,095	1,897
(b)	International Money Transfer (Discontinued)	-	4,115
(c)	Segment - Travel	140	679
(d)	Segment - Others	1,414	-
(e)	Unallocated Liabilities	7,199	1,140
	Total	10,847	7,831
5	Capital Employed		
(a)	Forex	6,571	4,245
(b)	International Money Transfer (Discontinued)	-	9,993
(c)	Travel	197	-32
(d)	Others	10,814	0
(e)	Unallocated Assets	26,041	1,863
(f)	Unallocated Liabilities	7,199	1,140
	Total	36,424	14,929

Note 41. Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements

Name of the Company	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	84.62%	36,481.24	99.77%	21,308.90	100%	-5.37	99.77%	21,303.52
Subsidiary Companies:		-		-				
Paul Fincap Private Limited	13.19%	5,686.96	0.29%	61.28	-	-	0.29%	61.28
PML Realtors Private Limited	2.19%	943.26	-0.09%	-19.60	-	-	-0.09%	-19.60
Joint Venture (Investment as per Equity Method):								
M/s Horizon Remit BHD. SDN. , Malaysia	-	-	0.04%	8.37	-	-	0.04%	8.37
Sub Total	100.00%	43,111.46	100%	21,358.95	100%	-5.37	100%	21,353.57
Adjustments arising out of consolidation		-6,687.76						
TOTAL		36,423.71		21,358.95		-5.37		21,353.57

Note 42. Discontinued Operations

During the year, the Company sold its MTSS Business as slump sale in India to You First Money Express Private Limited (YMEPL). The Closing date for the said transaction was 31.10.2017. After that the Company was carrying on the said business for and on behalf of YMEPL as per 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 31.03.2018.
- b Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.
- c Additional information pursuant to Schedule III part I & II of the Companies Act, 2013 other than stated above is either NIL or Not Applicable.
- d The previous Year figures have been regrouped/re-classified/re-stated wherever necessary to conform with the current presentation and to make them IND AS compliant.
- e Notes 1 to 43 form integral part of Accounts for the year ending 31st March 2018.

PLACE: CHANDIGARH**DATED: 28.05.2018****For & on Behalf of Board of Directors**

Sd/-
SAT PAUL BANSAL
Chairman cum
Managing Director
DIN-0007799
H. No. 749,
Sec 8, Chandigarh

Sd/-
RAJNEESH BANSAL
Executive Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

Sd/-
HARDAM SINGH
Company Secretary
FCS-5046
H. No. 12D, Angel Appt.
Zirakpur

Sd/-
TILAK RAJ KHEPAR
Chief Financial Officer
M - 7990
H. No. 1629,
Sec. 44B, Chandigarh

AUDITOR'S REPORT:**As per our Separate report of the even date**

For Jain & Associates
CHARTERED ACCOUNTANTS
(FRN – 01361N)

Sd/-
CA. NEERAJ JAIN,
Partner
(M. No. 089477)



Paul Merchants Limited

Regd. Office: DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi -110015

CIN: L74900DL1984PLC018679; **Website address:** www.paulmerchants.net ;

Email: info@paulmerchants.net; **Tel:** 011-48702000

PROXY FORM

34th Annual General Meeting, 27th September, 2018

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014-Form No. MGT-11]

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

I/We being the Member(s) of _____ shares of the Paul Merchants Limited, hereby appoint:

1. Name :	E-mail Id :
Address:	Signature :
or failing him/her	
2. Name :	E-mail Id :
Address:	Signature :
or failing him/her	
3. Name :	E-mail Id :
Address:	Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Thursday, the 27th Day of September, 2018 at 12:00 Noon at the Forever Banquet, 20, Paschim Vihar Extn., Pillar No. 193, Opp. Ordinance Depot, New Delhi- 110063 and at any adjournment thereof in respect of such resolutions as are indicated below:

any department thereof in respect of each resolutions as are indicated below.

Resolution No.	Particulars of Resolutions	Number of Equity Shares	Optional*	
			For	Against
ORDINARY BUSINESS				
1.	To receive, consider and adopt the audited Standalone Financial Statements of the Company for the Financial year ended 31 st March 2018 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, 2018 and the Report of the Auditors thereon.			
3.	To appoint a Director in place of Sh. Rajneesh Bansal (DIN 00077230) who retires by rotation and being eligible, offers himself for			

	reappointment.			
4.	To appoint a Director in place of Sh. Dharam Pal Sharma (DIN 07284332) who retires by rotation and being eligible, offers himself for reappointment.			
5.	To ratify the appointment of Statutory Auditors as approved by Members at the Thirty First Annual General Meeting.			
SPECIAL BUSINESS				
6.	To revise the remuneration of Mr. Dharam Pal Sharma (DIN 07284332), Whole Time Director of the Company w.e.f. 01-04-2018.			
7.	To approve the remuneration of Mr. Sat Paul Bansal (DIN 00077499), Chairman Cum Managing Director of the company for the Financial Year 2018-19.			
8	To approve the remuneration of Mr. Rajneesh Bansal (DIN 00077230), Executive Director of the Company for his remaining tenure.			

Signed this _____ day of _____ 2018.

Signature.....

On Re. 1/-
Revenue
Stamp to
be affixed
here

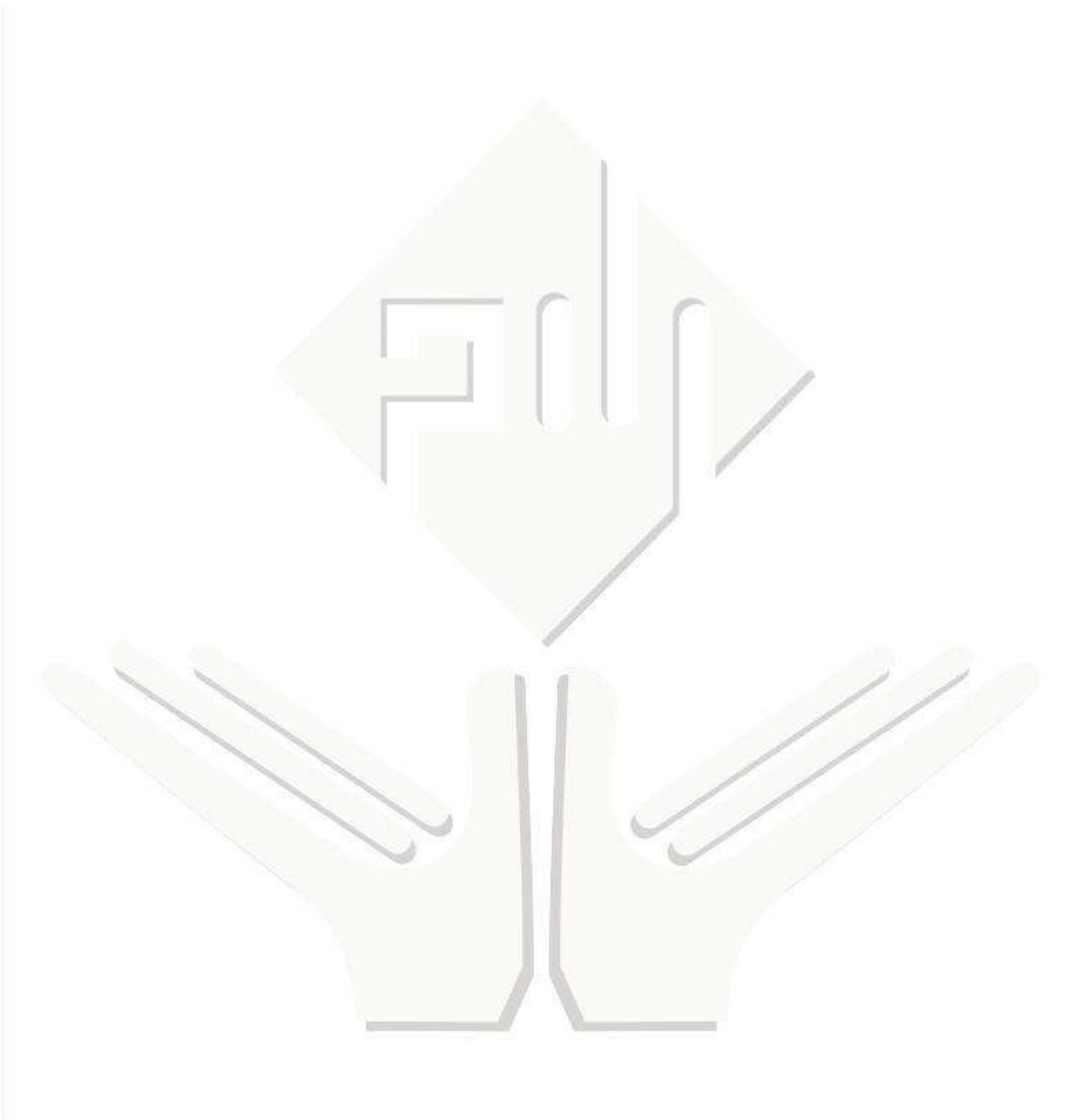
....of shareholder

Signature of Proxy holder(s)_____

NOTE:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. *It is optional to put (✓) in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of 34th Annual General Meeting.

5. The Company reserves its right to ask for identification of the Proxy.
6. The proxy form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company /depository participant.



**Paul Merchants Limited****Registered Office:** DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi -110015**CIN: L74900DL1984PLC018679; Website address: www.paulmerchants.net ;****Email: info@paulmerchants.net;****Tel: 011-48702000****34th Annual General Meeting on 27th September, 2018 at 12:00 noon****ATTENDANCE SLIP**

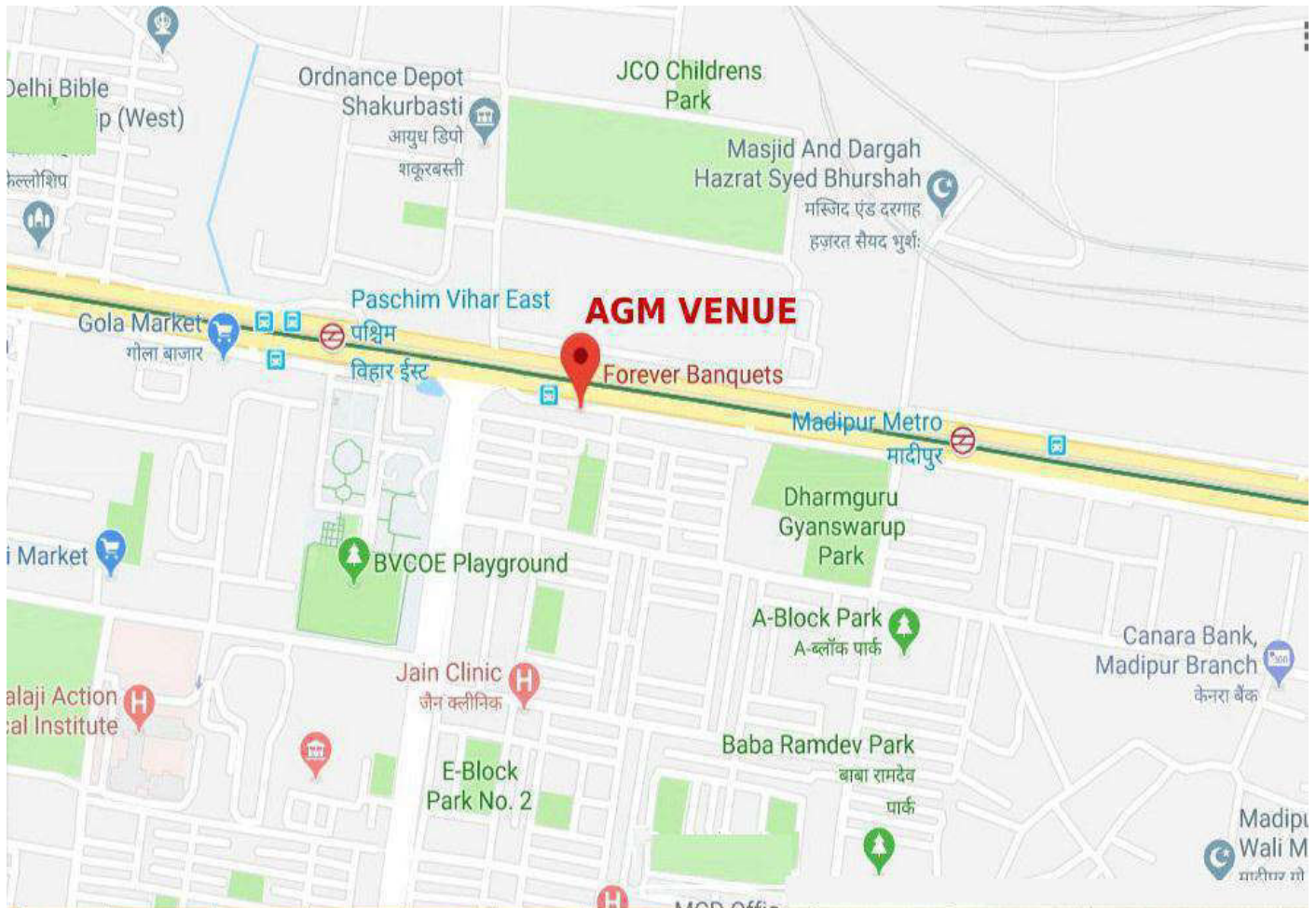
Registered Folio No./ DP ID & Client ID	
Name and Address of the Member(s)	
Joint Holder 1 Joint Holder 2	
No. of Shares Held	

I/We hereby record my/our presence at the 34th Annual General Meeting of the Company at the Forever Banquet, 20, Paschim Vihar Extn., Pillar No. 193, Opp. Ordinance Depot, New Delhi– 110063 on Thursday, the 27th Day of September, 2018 at 12:00 Noon.

Member's Folio/DP ID/Client ID No._____
Member's/Proxy's name in Block Letters_____
Member's/Proxy's Signature

NOTE: Please complete the Folio/DP ID/ Client ID and name, sign this Attendance Slip and hand it over at the Attendance Verification counter at the ENTRANCE OF THE MEETING HALL.

Route Map and Land Marks near the Venue of the 34th Annual General Meeting:-



AGM Venue:-

Forever Banquet, 20, Paschim Vihar Extn., Pillar No. 193, Opp. Ordinance Depot, New Delhi–110063.



PAUL MERCHANTS Ltd.[®]