



CORP. OFF.: PML House, SCO 829-830, Sector 22-A, Chandigarh - 160 022 Ph. 0172-5041786, 5025090 Fax : 0172-5041709

E-mail : [info@paulmerchants.net](mailto:info@paulmerchants.net) Website : [www.paulmerchants.net](http://www.paulmerchants.net)

REGD. OFF.: DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi-110015 Ph. : 011-48702000

## Postal Ballot and Remote E-voting Notice

### Pursuant to Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014

Dear Shareholder(s),

Notice is hereby given pursuant to the provisions of Section 108 and 110, and other applicable provisions of the Companies Act, 2013 (the "Act"), read together with the Companies (Management and Administration) Rules, 2014 (the "Management Rules") and other applicable Rules, including any statutory modification or re-enactment thereof for the time being in force and any other applicable provisions of the Act and the Rules made thereunder, that the resolutions appended below are proposed to be passed by the shareholders through postal ballot (the "Postal Ballot") / electronic voting ("remote e-voting"). An Explanatory Statement pertaining to the said resolutions as required under Section 102 of the Act read over with Secretarial Standards and Schedule V to the Act setting out the material facts and the reasons thereof is annexed to this Postal Ballot Notice along with a Postal Ballot Form (the "Postal Ballot Form") for your consideration.

The Board of Directors have appointed Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (Membership No. FCS No 5901 and CP No 5870), SCO 64-65, Sector 17 A, Chandigarh as the Scrutinizer, for conducting the Postal Ballot process and remote e-voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Postal Ballot Form, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signatures at the designated place in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope so as to reach the Scrutinizer at his address given in this Notice, not later than 17:00 hours IST on Friday, November 16, 2018. Postage will be borne and paid by the Company. Postal Ballot Forms, if sent at the expense of the shareholders, will also be accepted. The Postal Ballot Forms may also be deposited personally at the address given on the Business Reply Envelope. Please note that, Postal Ballot Forms received after 17:00 hours IST on Friday, November 16, 2018 shall be treated as not having been received and shall be deemed invalid.

In the event the draft resolutions as set out in the notice are assented to by the requisite majority by means of remote E-voting or Postal Ballot (whichever method the Shareholder opts for), it shall be deemed to have been passed as Special Business at General Meeting. Shareholders desiring to opt for remote e-voting as per facilities arranged by the Company are requested to read the instructions as stated in the Note 16 to the Notice under the section 'Voting through Electronic Means'. Reference to Postal Ballot(s) in this Postal Ballot Notice include votes received electronically. The voting instructions provided in the Postal Ballot Form are applicable for Equity Shareholders.

The Scrutinizer will submit his report to the Chairman of the Company (the "Chairman") or any other duly authorized person of the Company after completion of the scrutiny of the postal ballots (including remote e-voting). The result of the Postal Ballot (including remote e-voting) shall be declared by the Chairman or any other duly authorized person of the Company on Saturday, November 17, 2018 at 5.00 PM at Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022 and shall be communicated on the same day to the BSE Ltd, Depositories, Registrar and Share Transfer Agents and shall also be displayed on the Company's website [www.paulmerchants.net](http://www.paulmerchants.net) and on the website of CDSL i.e. [www.cdslindia.com/](http://www.cdslindia.com/) [www.evotingindia.com](http://www.evotingindia.com) and Company's Notice Boards in Registered Office at New Delhi and Corporate Office at Chandigarh.

The last date of receipt of the postal ballot forms / remote e-voting, i.e. Friday, November 16, 2018, shall be the date on which the resolutions would be deemed to have been passed, if approved by the requisite majority.

**ITEM NO. (1) - RESOLUTION- SPECIAL BUSINESS**

**TO APPROVE PAYMENT OF ONE TIME SPECIAL INCENTIVE TO THE CHAIRMAN CUM MANAGING DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to give assent/dissent, to the following resolution as a **Special Resolution**:-

“**RESOLVED THAT** in partial modification of earlier Special resolution passed by the Members of the Company by way of Postal Ballot Process dated 27-03-2018, 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 applicable Rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force) 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 One Time Special Incentive to Mr. Sat Paul Bansal (DIN 00077499), Chairman cum Managing Director of the Company, amounting to Rs. 7,20,00,000/- (Rupees Seven Crores Twenty Lakhs Only) over his existing Remuneration.

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

- a. The above One time Special Incentive over and above his existing remuneration shall be paid to the Chairman Cum Managing Director in two instalments of equal amount.
- b. The above One time Special Incentive shall be subject to Section 197 and other relevant Sections and Rules under the Companies Act, 2013 and accordingly the payment of One time Special Incentive 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.
- c. With the payment of above stated One time Special Incentive to the Chairman Cum Managing Director, the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in the Financial Year in which a particular Instalment of the One Time Special Incentive shall be paid to the Chairman Cum Managing Director.

**RESOLVED FURTHER THAT** Liberty and Authority be and is hereby given to the Board of Directors of the Company, which will be deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution, to decide all questions arising out of this matter, to take all requisite steps to give effect to this resolution and to vary, alter or modify the terms and conditions governing the above stated One Time Special Incentive as may be agreed to by the Board of Directors or Board Committee and the Chairman Cum Managing Director Mr. Sat Paul Bansal (DIN 00077499), subject to the provisions of all applicable Laws.”

**ITEM NO. (2) - RESOLUTION- SPECIAL BUSINESS**

**TO APPROVE REMUNERATION OF THE CHAIRMAN CUM MANAGING DIRECTOR OF THE COMPANY FOR THE FINANCIAL YEAR 2018-19**

To consider and, if thought fit, to give assent/dissent, to the following resolution as a **Special Resolution**:-

“**RESOLVED THAT** in partial modification of earlier resolution passed by the shareholders in their Annual General Meeting held on 27.09.2018, 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 applicable Rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force) 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 conditions 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 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. With the payment of Remuneration as above to the Chairman Cum Managing Director, the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in 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 decide all questions arising out of this matter, to take all requisite steps to give effect to this resolution and 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 the Chairman Cum Managing Director Mr. Sat Paul Bansal (DIN 00077499), subject to the provisions of all applicable Laws.”

**ITEM NO. (3) - RESOLUTION- SPECIAL BUSINESS**

**TO APPROVE REMUNERATION OF THE EXECUTIVE DIRECTOR OF THE COMPANY FOR HIS REMAINING TENURE I.E. UPTO 31-03-2020**

To consider and, if thought fit, to give assent/dissent, to the following resolution as a **Special Resolution**:-

“**RESOLVED THAT** in partial modification of earlier resolution passed by the shareholders in their Annual General Meeting held on 27.09.2018, 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 applicable Rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force) 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 i.e. upto 31-03-2020 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 % over the last paid rent plus water and electricity charges in the said Accommodation
- 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 conditions 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 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. With the payment of Remuneration as above to the Executive Director, the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in 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 decide all questions arising out of this matter, to take all requisite steps to give effect to this resolution and 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 the Executive Director Mr. Rajneesh Bansal (DIN 00077230) subject to the provisions of all applicable Laws.”

**Registered office:**

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

**Date: October 8, 2018**

**Place: Chandigarh**

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



**HARDAM SINGH**  
**(COMPANY SECRETARY)**

**Membership No. FCS – 5046**  
**12-D, Angel Apartments, Green Enclave, Zirakpur (Pb)**

**Notes:**

1. The explanatory statement pursuant to Section 102 read with Section 110 of the Act stating all material facts and the reasons for the proposed Resolutions are annexed herewith. In terms of Section 110 of the Companies Act, 2013 read with the Rule 22 of the Companies (Management and Administration) Rules, 2014, the items of business as set out in the Notice are sought to be passed by Postal Ballot & Remote E-Voting.
2. This Postal Ballot Notice is being sent to all the members, whose names appear in the Register of Members/Records of Depositories as on the close of working hours on Friday, October 12, 2018 i.e. "the cut-off date". Shareholders whose names appear on the Register of Members/List of Beneficial Owners as on October 12, 2018 will be considered for the purpose of voting. A person who is not a shareholder as on the said cut off date should treat this Postal Ballot Notice for informational purposes only.
3. The Company has appointed Mr. Kanwaljit Singh, Practising Company Secretary (Membership No. FCS No 5901 and CP No 5870), SCO 64-65, Sector 17 A, Chandigarh as Scrutinizer for conducting the Postal Ballot/ remote e-voting in accordance with the law in a fair and transparent manner.
4. 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 Postal Ballot Notice 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, the hard copy of the Postal Ballot Notice along with a postage-prepaid self-addressed Business Reply Envelope is being sent to all Members of the Company. Shareholders who receive the Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download the same from the website of the Company [www.paulmerchants.net](http://www.paulmerchants.net). To seek a duplicate Postal Ballot Form, please contact the Company's Registrar and Share Transfer Agent, Alankit Assignments Limited, 1E/13, Jhandewalan Extn. New Delhi- 110055 (INDIA) Ph No. : 011-42541959 and fill in the requisite details in the same and send the same to the Scrutinizer.
5. Resolutions passed by the shareholders through postal ballot/remote e-voting shall be deemed to have been passed as if the same are passed at a General Meeting of the shareholders.
6. Shareholders can opt for only one mode of voting, i.e., either by physical ballot or remote e-voting. In cases where shareholders cast their votes through both modes, voting cast through remote e-voting shall be treated as valid and votes cast through the physical Postal Ballot Forms will be treated as invalid.
7. In cases where a shareholder wishes to obtain a printed Postal Ballot Form or a duplicate, he or she may send an email to the Registrar and Share Transfer Agent (RTA) of the Company at [ramap@alankit.com](mailto:ramap@alankit.com). The Registrar and Share Transfer Agent / Company shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the shareholder.
8. The voting rights for the Equity Shares of the Company are one vote per equity share, registered in the name of the shareholder. The voting rights of the shareholders shall be in proportion to the percentage of paid-up share capital of the Company held by them, which will be determined on the basis of the paid-up nominal value of shares registered in the name of each shareholder as on Friday, October 12, 2018. The postal ballot period commences on Thursday, October 18, 2018 (09:00 hours IST) and ends on Friday, November 16, 2018 (17:00 hours IST).
9. In compliance with Sections 108 and 110 of the Act and the Rules made thereunder, the Company has provided the facility to shareholders to exercise their votes electronically and to vote on resolution through the remote e-voting service facility arranged by Central Depository Services (India) Limited (CDSL). The instructions for electronic voting are given under Note 16. Shareholders cannot exercise votes by proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization. Important Event dates are given below:

<b>EVENT</b>	<b>DATE</b>
Cut Off Date	Friday, 12-10-2018 (Closing hours)
Voting commencement	Thursday, 18-10-2018 (09.00 AM IST)
Voting Closure	Friday, 16-11-2018 (05.00 PM IST)
Pronouncement of Results	Saturday, 17-11-2018 (05.00 PM IST)

10. The Postal Ballot form together with the self-addressed business reply envelope is enclosed for the use of the members. Shareholders wishing to exercise their vote by physical postal ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the Postal Ballot Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than the close of working hours (i.e. 17:00 hours IST) on Friday, November 16, 2018. The Postal Ballot Form should be completed and signed by the shareholder. The Scrutinizer's decision on the validity of the Postal Ballot shall be final. As mentioned above, the postage

will be borne by the Company. However, envelopes containing postal ballots, if sent by courier or registered / speed post at the expense of the shareholders, will also be accepted. Postal Ballot Forms received after 17:00 hours IST on Friday, November 16, 2018 i.e. 30 days from the date of dispatch shall be deemed invalid. Voting by Postal Ballot, in the physical form or e-voting, can be exercised only by the shareholder or his / her duly constituted attorney or in case of bodies corporate, the duly authorized person.

11. The Scrutinizer will submit his report to the Chairman or any other person authorized by the Chairman after the completion of scrutiny, and the result of the voting by Postal Ballot and remote e-voting will be announced by the Chairman or any director of the Company duly authorized, on Saturday, November 17, 2018 at 17:00 hours IST at Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022 and will also be displayed on the Company’s website [www.paulmerchants.net](http://www.paulmerchants.net) and on the website of CDSL [www.cdsl.com/](http://www.cdsl.com/) [www.evotingindia.com](http://www.evotingindia.com). and communicated to the BSE Ltd, Depositories, Registrar and Share Transfer agent and shall be displayed on the Notice Board of the Company at its Registered Office at New Delhi and its Corporate Office at Chandigarh on the said date.
12. Shareholders can also contact, M/s Alankit Assignments Limited (the Company’s Registrar and Share Transfer Agent) to resolve any grievances with regard to voting by Postal Ballot or e-voting, at their Email id – [ramap@alankit.com](mailto:ramap@alankit.com); Phone number + 91- 11-42541234 and Shareholders may also contact Mr. Hardam Singh, Company Secretary of the Company at [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net) or at 0172-5041760 or Fax 0172-5041713 or at PML House, SCO 829-830, Sector 22-A, Chandigarh - 160022. In case Shareholders have any queries or issues regarding e-voting, they may also refer the Frequently Asked Questions (“FAQs”) and remote e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
13. This Postal Ballot Notice is also placed on the website of the Company [www.paulmerchants.net](http://www.paulmerchants.net) and on the website of CDSL at [www.cdslindia.com](http://www.cdslindia.com)
14. The last date of receipt of the Postal Ballot Forms / remote e-voting i.e. Friday, November 16, 2018 (05.00 PM IST) shall be the date on which the resolutions would be deemed to have been passed, if approved by the requisite majority.
15. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch until the last date for receipt of votes by Postal Ballot / remote e-voting.

#### 16. Voting through electronic means

In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) and Sections 108 and other applicable provisions of the Act, read with the related Rules, the Company is pleased to provide remote e-voting facility to all its shareholders, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to all its shareholders. The voting period begins on October 18, 2018 at 9.00 hours and ends on November 16, 2018 at 17.00 hours. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. October 12, 2018, may cast their vote electronically.

The instructions for e-voting are as follows:

- (i) Log on to the e-voting website [www.evotingindia.com](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• 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</li> </ul>

	<p>digits of the sequence number in the PAN field. The sequence number shall be sent in the e-mail to be sent to the members.</p> <ul style="list-style-type: none"> <li>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.</li> </ul>
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 Postal Ballot 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](http://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](mailto: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](mailto: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.
- (xxii) In case Shareholders 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

#### **In case of members receiving the physical copy:**

- (xxiii) Please follow all steps listed above to cast vote.
- (xxiv) The voting period begins on October 18, 2018 at 9.00 hours and ends on November 16, 2018 at 17.00 hours. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date October 12, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xxv) Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
- (xxvi) 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 October 12, 2018.
- (xxvii) 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

- (xxviii) 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 as per the schedule given in this notice.
- (xxix) The Scrutinizer`s decision on the validity of the vote shall be final and binding.
- (xxx) The result declared along with the Scrutinizer`s Consolidated report shall be placed on the website of the Company ([www.paulmerchants.net](http://www.paulmerchants.net)) and on the website of CDSL ([www.cdslindia.com](http://www.cdslindia.com))/[www.evotingindia.com](http://www.evotingindia.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.
- (xxxi) The resolutions will be deemed to be passed on November 16, 2018 subject to receipt of requisite number of votes in favour of the resolutions.





## Explanatory Statement pursuant to Sections 102(1) and 110 of the Companies Act, 2013

### Item no. (1) and (2)

As per amendment in the Companies Act, 2013 by Companies (Amendment) Act, 2017, the Company can pay overall managerial remuneration exceeding 11% of Net Profits, without requiring approval of Central Government but after obtaining approval of Shareholders by way of special resolution. The Company had sold its MTSS business in Financial Year 2017-18 to M/s You First Money Express Private Limited (now known as Ebix Money Express Private Limited) and the entire transaction had been coordinated by Chairman cum Managing Director (CMD) of the Company Mr. Sat Paul Bansal. Further, the MTSS division was set up by him only and he was instrumental in bringing it to a level that the Company could pull off a good valuation. Therefore, to compensate him for all his efforts in this regard, the Shareholders of the Company had approved to pay a One-Time Special Incentive to the CMD of the company over his existing remuneration by way of Postal Ballot Process dated 27-03-2018 amounting to Rs. 7.20 Crores.

Further, the Shareholders of the Company had approved payment of Remuneration to the Chairman cum Managing Director of the Company Mr. Sat Paul Bansal for the Financial Year 2018-19 vide their special resolution passed in their Annual General Meeting held on 27-09-2018.

Payment of said One Time Special Incentive to the Chairman cum Managing Director of the Company and his Remuneration for the FY 2018-19 was subject to Section 197 of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 coming into force by Notification by Government of India. Now that the Section 197 of the Act has been notified by the Government of India on 12-09-2018, a corresponding amendment has also been made to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and some new Parameters have been specified which are to be taken into account by the Shareholders while according their approval as given below:-

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

As such your Directors have deemed it fit to obtain fresh approval of the shareholders of the Company for payment of the said One-Time Special Incentive to the CMD of the Company and for his Remuneration for the FY 2018-19 and therefore the proposal has been considered and approved by the Board of Directors in their meeting held on 08-10-2018 in the light of the new parameters introduced in Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said proposals have also been approved by the Nomination and Remuneration Committee of the Board and by Audit Committee of the Board. The required information as per the abovesaid parameters prescribed in Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below:-

### (1) The Financial and operating performance of the company during the three preceding financial years. One Standalone basis:-

PARTICULARS	FY 2015-16	FY 2016-17*	FY 2017-18*
Total Income	24,68,69,48,116/-	28,96,47,37,066/-	45,50,37,58,539/-
Earnings before Interest and Depreciation and Tax	37,21,54,691/-	14,28,48,780/-	24,90,91,212/-
Profit before Tax	31,51,96,599/-	10,13,73,194/-	20,65,07,796/-
Profit after Tax	20,41,91,652/-	6,41,60,760/-	14,59,79,048/-

### One Consolidated basis:-

PARTICULARS	FY 2015-16	FY 2016-17*	FY 2017-18*
Total Income	24,71,04,16,626/-	28,96,47,37,066/-	45,55,65,05,874/-



Earnings before Interest and Depreciation and Tax	37,20,58,768/-	14,94,05,663/-	26,83,18,580/-
Profit before Tax	31,44,05,068/-	10,25,66,734/-	21,31,39,535/-
Profit after Tax	20,36,74,053/-	6,53,54,300/-	15,09,83,948/-

\*Does not include Profits from Discontinued Operations.

**(2) The relationship between remuneration and performance:-**

It is submitted in this regard that the payment of proposed One-Time Special Incentive to the Chairman cum Managing Director is fully justified by his performance in the role he played in coordinating the entire transaction relating to sale of MTSS business of the Company to M/s You First Money Express Private Limited (now known as Ebix Money Express Private Limited). Further, the MTSS division was set up by him only and he was instrumental in bringing it to a level that the Company could pull off a good valuation. The payment of proposed One Time Incentive has been approved by the Nomination and Remuneration Committee of the Board and also by Audit Committee of the Board.

Further, the proposed remuneration for the FY 2018-19 as set out in item no. 2 of the Postal Ballot Notice, is also fully justified by his performance as he is in overall supervision and administration of all the affairs of the Company and for the FY 2018-19, his remuneration is proposed to be approved on the existing level only without any hike. The payment of proposed Remuneration to the CMD has been approved by the Nomination and Remuneration Committee of the Board and also by Audit Committee of the Board.

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

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

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

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

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

Mr. Sat Paul Bansal, Chairman cum Managing Director of the Company holds 201100 (19.056%) Equity Shares of the Company and does not hold any Stock Options. Further, he has not pledged any shares as at the end of the preceding financial year i.e. 2017-18.

The information as required under para 1.2.5 of Secretarial Standard -2 is attached to this Explanatory Statement as Annexure 1-A and information required under Schedule V to the Companies Act, 2013 is given as Annexure 1-B.

For the reason that with the proposed payment of One Time Special Incentive and Annual Remuneration at existing levels to the Chairman cum Managing Director, his overall remuneration for the Financial Year 2018-19, shall exceed the limits as prescribed under the Act, the approval of the shareholders by way of Special Resolution is required. As such, your directors recommend both the Resolutions as set out in Item no. (1) and (2) of the Postal Ballot Notice to be passed by the Shareholders of the Company by way of Special Resolution.

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 resolution set out in the Notice except to the extent of their respective shareholding, if any.

**Item no. (3)**

As per amendment in the Companies Act, 2013 by the Companies (Amendment) Act, 2017, the Company can pay overall managerial remuneration exceeding 11% of Net Profits, without requiring approval of Central Government but after obtaining approval of Shareholders by way of special resolution. The Shareholders of the Company had approved payment of Remuneration to the Executive Director of the Company Mr. Rajneesh Bansal for his remaining tenure vide their special resolution passed in their Annual General Meeting held on 27-09-2018.

Payment of Annual Remuneration to the Executive Director for his remaining tenure was subject to Section 197 of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 coming into force by Notification by Government of India. Now that the Section 197 of the Act has been notified by the Government of India on 12-09-2018, a corresponding amendment has also been made to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and some new Parameters have been specified in Rule 6, which are to be taken into account by the Shareholders while according their approval as given below:-

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

As such your Directors have deemed it fit to obtain fresh approval of the shareholders of the Company for payment of Annual Remuneration to the Executive Director for his remaining tenure and therefore the proposal has been considered and approved by the Board of Directors in their meeting held on 08-10-2018 in the light of the new parameters introduced in Rule 6 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said proposals have also been approved by the Nomination and Remuneration Committee of the Board and also by Audit Committee of the Board. The required information as per the abovesaid parameters prescribed in Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below:-

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

One Standalone basis:-

<b>PARTICULARS</b>	<b>FY 2015-16</b>	<b>FY 2016-17*</b>	<b>FY 2017-18*</b>
Total Income	24,68,69,48,116/-	28,96,47,37,066/-	45,50,37,58,539/-
Earnings before Interest and Depreciation and Tax	37,21,54,691/-	14,28,48,780/-	24,90,91,212/-
Profit before Tax	31,51,96,599/-	10,13,73,194/-	20,65,07,796/-
Profit after Tax	20,41,91,652/-	6,41,60,760/-	14,59,79,048/-

One Consolidated basis:-

<b>PARTICULARS</b>	<b>FY 2015-16</b>	<b>FY 2016-17*</b>	<b>FY 2017-18*</b>
Total Income	24,71,04,16,626/-	28,96,47,37,066/-	45,55,65,05,874/-
Earnings before Interest and Depreciation and Tax	37,20,58,768/-	14,94,05,663/-	26,83,18,580/-
Profit before Tax	31,44,05,068/-	10,25,66,734/-	21,31,39,535/-
Profit after Tax	20,36,74,053/-	6,53,54,300/-	15,09,83,948/-

\* Does not include Profits from Discontinued Operations

**(2) The relationship between remuneration and performance:-**

The proposed remuneration of the Executive Director for his remaining tenure as set out in Item no. 3 of the Postal Ballot Notice is also fully justified by his performance as 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. Further, his remuneration is proposed to be approved on the existing level only without any hike. The payment of proposed Remuneration to the Executive Director has been approved by the Nomination and Remuneration Committee of the Board and also by Audit Committee of the Board.

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

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

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

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

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

Mr. Rajneesh Bansal, Executive Director of the Company holds 149746 (14.57%) Equity Shares of the Company and does not hold any Stock Options. Further, he has not pledged any share as at the end of the preceding financial year i.e. 2017-18.

The information as required under para 1.2.5 of Secretarial Standard -2 2013 is attached to this Explanatory Statement as **Annexure 3-A**.

For the reason that with the proposed payment of Annual Remuneration to the Executive Director, his overall remuneration for the Financial Year 2018-19 and thereafter, shall exceed the limits as prescribed under the Act, the approval of the shareholders by way of Special Resolution is required. As such, your directors recommend the Resolution as set out in Item no. 3 of the Postal Ballot Notice, to be passed by the Shareholders of the Company by way of Special Resolution.

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 resolution set out in the Notice except to the extent of their respective shareholding, if any.

**Registered office:**

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

**Date: October 8, 2018**

**Place: Chandigarh**

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



**HARDAM SINGH**  
**(COMPANY SECRETARY)**  
**Membership No. FCS – 5046**  
**12-D, Angel Apartments, Green Enclave, Zirakpur (Pb)**

**ANNEXURE 1-A****INFORMATION REGARDING DETAILS OF THE DIRECTORS PURSUANT TO SECRETARIAL STANDARDS, FORMING PART OF THE EXPLANATORY STATEMENT**

<b>Name of Director</b>	Mr. Sat Paul Bansal
<b>Date of First (Original) Appointment:</b>	27-09-1990
<b>Date of Birth, Age</b>	22-07-1947, 71 Years
<b>Designation</b>	Chairman Cum Managing Director
It is proposed to pay a One Time Special Incentive to Mr. Sat Paul Bansal, Chairman Cum Managing Director as explained in the Explanatory Statement to Item no. 1 as set out in the Postal Ballot Notice.	
It is proposed to pay remuneration to Mr. Sat Paul Bansal, Chairman Cum Managing Director on existing rate for the Financial Year 2018-19, as explained in the Explanatory Statement to Item no. 2 as set out in the Postal Ballot Notice.	
<b>Expertise in Specific Functional Area:</b>	
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.	
<b>Terms and Conditions for the Remuneration on existing rate of the Company:</b>	
<b>Term</b>	Mr. Sat Paul Bansal was re-appointed as Chairman Cum Managing Director by the Shareholders of the Company in their Annual General Meeting held on 28-09-2015, for a period of 5 years w.e.f 01.04.2014 till 31.03.2019
<b>Remuneration</b>	His remuneration during FY 2017-18 is as follows:- a. Rs. 12,00,000/- (Rupees Twelve Lakhs Only) per Month. b. Commission upto 2% of the Net Profits of the Company earned during the financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board subject to the overall limits as provided in Companies Act, 2013.
<b>Remuneration sought to be paid</b>	As stated in Special Resolution set out at Item in 1 and 2 in the Postal Ballot Notice
<b>Qualification</b>	Graduate in Arts
<b>List of Other Directorships:-</b>	
<b>1</b>	Paul Overseas Pvt. Ltd.
<b>2</b>	Paul Energy Projects Pvt. Ltd.
<b>3</b>	Paul Merchants Finance (P) Ltd (formerly known as Paul Fincap Pvt. Ltd.)
<b>4</b>	Paul Excursions Pvt. Ltd.
<b>5</b>	Paul Fast Remit Pvt. Ltd.
<b>6</b>	PML Realtors Pvt. Ltd.
<b>7</b>	PML Holidays Pvt. Ltd.
<b>8</b>	EBIX Money Express Pvt. Ltd.
<b>9</b>	Horizon Remit Bhd. Sdn., Malaysia
<b>Chairman/Member of the Committee of the Directors of Paul Merchants Ltd</b>	Chairman of Executive Committee
<b>Chairman/Member of the Committee of the Directors of other Companies</b>	NIL
<b>Shareholding in the Company</b>	Holding 201100 Equity shares in his name representing 19.56 % of total paid up capital
<b>Relationship</b> 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.	
<b>No. of Meetings of Board attended during the FY 2017-18</b>	5

**Justification for Payment of One Time Special Incentive:-**

The Company had sold its MTSS business in Financial Year 2017-18 to M/s You First Money Express Private Limited (now known as Ebix Money Express Private Limited) and the entire transaction had been coordinated by Chairman cum Managing Director (CMD) of the Company Mr. Sat Paul Bansal. Further, the MTSS division was set up by him only and he was instrumental in bringing it to a level that the Company could pull off a good valuation. Therefore, to compensate him for all his efforts in this regard, the Shareholders of the Company had approved to pay a one-time special incentive to the CMD over his existing remuneration by way of Special Resolution dated 27-03-2018 passed through Postal Ballot Process, amounting to Rs. 7.20 Crores. The said Special Resolution is being sought to be modified and approved again by the Shareholders in the light of Amendment in the Statutory Regime governing the same.

**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. No hike is being granted to him in his remuneration, however his remuneration at the current level had been approved by the Shareholders of the Company by way of a Special Resolution passed in their Annual General Meeting held on 27-09-2018. The said Special Resolution is being sought to be approved again by the Shareholders in the light of Amendment in the Statutory Regime governing the same.

## **Annexure 1-B**

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

<b>I. General information:</b>				
(1) Nature of industry	The Company operates principally in three business verticals Foreign Exchange, International Money Transfer and Tours & Travels.			
(2) Date or expected date of commencement of commercial production	The Company is already in existence, doing commercial operations since the year 1984. The Company had been granted Certificate of Commencement on 23rd July, 1984			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
(4) Financial performance based on given indicators	<b>STANDALONE BASIS:-</b>			
	<b>PARTICULARS</b>	<b>FY 2015-16</b>	<b>FY 2016-17*</b>	<b>FY 2017-18*</b>
	Total Income	24,68,69,48,116/-	28,96,47,37,066/-	45,50,37,58,539/-
	Earnings before Interest and Depreciation and Tax	37,21,54,691/-	14,28,48,780/-	24,90,91,212/-
	Profit before Tax	31,51,96,599/-	10,13,73,194/-	20,65,07,796/-
	Profit after Tax	20,41,91,652/-	6,41,60,760/-	14,59,79,048/-
	<b>CONSOLIDATED BASIS</b>			
	<b>PARTICULARS</b>	<b>FY 2015-16</b>	<b>FY 2016-17*</b>	<b>FY 2017-18*</b>
	Total Income	24,71,04,16,626/-	28,96,47,37,066/-	45,55,65,05,874/-
	Earnings before Interest and Depreciation and Tax	37,20,58,768/-	14,94,05,663/-	26,83,18,580/-
	Profit before Tax	31,44,05,068/-	10,25,66,734/-	21,31,39,535/-
	Profit after Tax	20,36,74,053/-	6,53,54,300/-	15,09,83,948/-
	<i>* Does not include Profits from Discontinued Operations</i>			
(5) Foreign investments or collaborations, if any.	The share capital of the Company is entirely held by domestic Indian Bodies Corporate and Individuals. Further, the Company has a Joint venture in Malaysia having 19.424% (Previous Year 19.424%) Equity stake in the said Joint Venture known as M/s Horizon Remit SDN BHD (formally M/s Prabhu Remit SDN BHD). The other partner is Weizmann Forex Ltd holding similar equity stake in the said Joint Venture.			
<b>II. Information about the appointee:</b>				
(1) Background details	Mr. Sat Paul Bansal is around 71 years of age and a Graduate in Arts. He has been associated with the Company Paul Merchants Limited for over 28 years. He is the Promoter Director & Chairman Cum Managing Director of the Company. He is in overall supervision of all the business activities and department of the Company.			
(2) Past remuneration	His remuneration during FY 2017-18 is as follows: a. Rs. 12,00,000/- (Rupees Twelve Lakhs Only) per month; b. Commission upto 2% of the Net Profits of the Company earned during the financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board subject to the overall limits as provided in Companies Act, 2013			
(3) Recognition or awards	a. Certificate of Mayoral Appreciation by the Municipal Corporation Chandigarh for providing exceptional support to Poverty Alleviation Programme b. "Achievers of the North" by Times of India c. "Game Changer" Award by Wonderlust			
(4) Job profile and his suitability	Sh. Sat Paul Bansal, Chairman cum Managing Director is associated with the Company since 1990. His responsibilities as Chairman and Managing Director of the Company include executing business strategy and managing the organisation's overall performance and growth. Ever since his joining in the Company, he has been spearheading all the activities 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. Keeping in view his excellent performance, the Board considers			

	him as best suitable candidate for this job.
(5) Remuneration proposed	The Remuneration proposed to be paid to Sh. Sat Paul Bansal is as per the details set out in the Special Resolution mentioned at Item No. 2 of this Postal Ballot Notice. Further, it is proposed to pay One Time Special Incentive to him as set out in the Special Resolution mentioned at Item No. 1 of this Postal Ballot Notice.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	There are no set standards for remuneration in the industry. The executive remuneration in the industry has been increasing significantly in last few years. Keeping in view the type /trends in the industry, size of the Company, the profile and responsibilities shouldered by Sh. Sat Paul Bansal, the Company believes that the remuneration proposed to be paid to him as Chairman and Managing Director is appropriate and commensurate with the industry standards.  Further the remuneration proposed to be paid to him is in accordance with the Nomination and Remuneration Policy of the Company and as per the approval and recommendation of Nomination and Remuneration Committee of the Board.  Further, the One Time Special Incentive proposed to be paid to him is also appropriate and commensurate with the Role played by him in the transaction of sale of MTSS business of the Company.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Sh. Sat Paul Bansal holds 201100 Equity shares in his name representing 19.56 % of total paid up Share Capital of the Company. Further, his pecuniary relationship with the Company during the FY 2017-18 is detailed in <b>Annexure 1-B(a)</b> to this report.  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.
<b>III. Other information:</b>	
(1) Reasons of loss or inadequate profits	The Company has been a consistent performer for the last almost two decades. However, the profit margins may remain inadequate particularly for the purpose of these Resolutions due to the fact that in FY 2017-18, the Company sold its MTSS Division which was a prime contributor to the Revenues of the Company. At the moment, the focus of the Company is to grow Forex and Travel Verticals and in the transitory period, there may be some strain on the profits of the Company.
(2) Steps taken or proposed to be taken for improvement	a. The Company has already started pursuing growth of Forex and Travel Verticals of the Company with a focussed approach. b. The sale proceeds received from sale of MTSS Division of the Company have been channelized in productive avenues. c. Rationalization of unproductive expense heads is already underway
(3) Expected increase in productivity and profits in measurable terms	The objective and focus of the Board of Directors is to take the Company to heights in Forex and Travel Division. Towards this end, the company has already put in place the required roadmap and in the backdrop of the re-engineered business model, it is hoped to sustain the profitability in the FY 2018-19 at same level as FY 2017-18 and in the FY 2019-20, the Company is expected to register growth in its profitability in the vicinity of 15-25%.

### **Annexure – 1-B-(a)**

<b>Salary &amp; Commission Paid</b>	<b>Duration of Contract</b> (Tenure From 01.04.2014 to 31.03.2019)	<b>Amount paid during the FY</b> Rs 1,44,00,000/- as Salary and Rs. 18,86,458/- as Commission
<b>Rent Paid</b>		
<b>Property</b>	<b>Duration of Contract</b>	<b>Amount paid during the FY</b>
Kothi No. 749, Sector 8, Chandigarh	01/04/2015 - 31/03/2018	Rs. 6,12,360/-
Portion on 3 <sup>rd</sup> & 4 <sup>th</sup> Floor of Plot No. 161, Industrial Area, Chandigarh	01/06/2017- 30/06/2018	Rs. 23,66,800/-
<b>Consideration paid for Kothi No. 749, Sector 8-B, Chandigarh purchased by the Company</b>		
<b>Particulars</b>	<b>Duration of Contract</b>	<b>Amount paid during the FY</b>
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/-



<b>Acquisition of Equity Shares of Paul Merchants Finance (P) Ltd. by the Company.</b>		
<b>Particulars</b>	<b>Duration of Contract</b>	<b>Amount paid during the FY</b>
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/-

**ANNEXURE 3-A****INFORMATION REGARDING DETAILS OF THE DIRECTORS PURSUANT TO SECRETARIAL STANDARDS, FORMING PART OF THE EXPLANATORY STATEMENT**

<b>Name of Director</b>	Mr. Rajneesh Bansal
<b>Date of First (Original) Appointment:</b>	27.02.1999
<b>Date of Birth, Age</b>	27.07.1974, 44 Years
<b>Designation</b>	Executive Director
The remuneration of Mr. Rajneesh Bansal had been approved by the Shareholders of the Company by way of a Special Resolution passed in their Annual General Meeting held on 27-09-2018. The said Special Resolution is being sought to be approved again by the Shareholders in the light of Amendment in the Statutory Regime governing the same.	
<b>Expertise in Specific Functional Area:</b>	
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.	
<b>Terms and Conditions for the Remuneration on existing rate of the Company:</b>	
<b>Term</b>	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
<b>Remuneration</b>	His remuneration during FY 2017-18 is as follows:- a. Rs. 3,50,000/- (Rupees Three Lakhs Fifty Thousand Only) per Month. b. Commission upto 2% of the Net Profits of the Company earned during the financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board subject to the overall limits as provided in Companies Act, 2013. c. Monthly Rent Free accommodation valued at Rs.1,74,960/- with an annual increase of 8 % plus water and electricity in the said house. This rent free accommodation is valued at Rs. 1,88,956/- w.e.f. 01-04-2018.
<b>Remuneration sought to be paid</b>	As stated in Special Resolution set out at Item in 3 in the Postal Ballot Notice
<b>Qualification</b>	MBA
<b>List of Other Directorships:-</b>	
<b>1</b>	Paul Overseas Pvt. Ltd.
<b>2</b>	Paul Energy Projects Pvt. Ltd.
<b>3</b>	Paul Excursions Pvt. Ltd.
<b>4</b>	Paul Fast Remit Pvt. Ltd.
<b>5</b>	Talk More Communications Pvt. Ltd.
<b>6</b>	Paul Merchants Finance (P) Ltd (formerly known as Paul Fincap Pvt. Ltd.)
<b>7</b>	PML Holidays Pvt. Ltd.
<b>8</b>	All India Association of Authorized Money Changers and Money Transfer Agents
<b>9</b>	PML Realtors Pvt. Ltd.
<b>10</b>	Horizon Remit Bhd. Sdn., Malaysia
<b>Chairman/Member of the Committee of the Directors of Paul Merchants Ltd</b>	1. Member of Executive Committee 2. Member of Stakeholders Relationship Committee 3. Member of CSR Committee
<b>Chairman/Member of the Committee of the Directors of other Companies</b>	1. Member of Audit Committee of Paul Merchants Finance (P) Ltd 2. Member of Audit Committee of PML Realtors Pvt. Ltd. 3. Member of Nomination and Remuneration Committee of Paul Merchants Finance (P) Ltd 4. Member of Nomination and Remuneration Committee of PML Realtors Pvt. Ltd.
<b>Shareholding in the Company</b>	Holding 149746 Equity shares in his name representing 14.566 % of total paid up capital
<b>Relationship:-</b>	
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 FY 2017-18 :** 5

**Justification for Remuneration on existing rate of the Company:-**

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. His remuneration at the current level had been approved by the Shareholders of the Company by way of a Special Resolution passed in their Annual General Meeting held on 27-09-2018. The said Special Resolution is being sought to be approved again by the Shareholders in the light of Amendment in the Statutory Regime governing the same.

### Annexure 3-B

The information as per Sub Clause (iv) of Second Proviso to Clause (B) of Section II of Part-II of Schedule V of the Act :

<b>I. General information:</b>				
(1) Nature of industry	The Company operates principally in three business verticals Foreign Exchange, International Money Transfer and Tours & Travels.			
(2) Date or expected date of commencement of commercial production	The Company is already in existence, doing commercial operations since the year 1984. The Company had been granted Certificate of Commencement on 23rd July, 1984			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
(4) Financial performance based on given indicators	<b>STANDALONE BASIS</b>			
	<b>PARTICULARS</b>	<b>FY 2015-16</b>	<b>FY 2016-17*</b>	<b>FY 2017-18*</b>
	Total Income	24,68,69,48,116/-	28,96,47,37,066/-	45,50,37,58,539/-
	Earnings before Interest and Depreciation and Tax	37,21,54,691/-	14,28,48,780/-	24,90,91,212/-
	Profit before Tax	31,51,96,599/-	10,13,73,194/-	20,65,07,796/-
	Profit after Tax	20,41,91,652/-	6,41,60,760/-	14,59,79,048/-
	<b>CONSOLIDATED BASIS</b>			
	<b>PARTICULARS</b>	<b>FY 2015-16</b>	<b>FY 2016-17*</b>	<b>FY 2017-18*</b>
	Total Income	24,71,04,16,626/-	28,96,47,37,066/-	45,55,65,05,874/-
	Earnings before Interest and Depreciation and Tax	37,20,58,768/-	14,94,05,663/-	26,83,18,580/-
	Profit before Tax	31,44,05,068/-	10,25,66,734/-	21,31,39,535/-
	Profit after Tax	20,36,74,053/-	6,53,54,300/-	15,09,83,948/-
<i>* Does not include Profits from Discontinued Operations</i>				
(5) Foreign investments or collaborations, if any.	The share capital of the Company is entirely held by domestic Indian Bodies Corporate and Individuals. Further, the Company has a Joint venture in Malaysia having 19.424% (Previous Year 19.424%) Equity stake in the said Joint Venture known as M/s Horizon Remit SDN BHD (formally M/s Prabhu Remit SDN BHD). The other partner is Weizmann Forex Ltd holding similar equity stake in the said Joint Venture.			
<b>II. Information about the appointee:</b>				
(1) Background details	Mr. Rajneesh Bansal, aged 44 years holds a Masters Degree in Business Administration. He has been associated with the Company since 1999. He is one of the Promoters of the Company and holds position of Executive Director. He has a vast experience of more than 19 years in the field of Business Management and administration.			
(2) Past remuneration	His remuneration during FY 2017-18 is as follows:- a. Rs. 3,50,000/- (Rupees Three Lakhs Fifty Thousand Only) per Month. b. Commission upto 2% of the Net Profits of the Company earned during the financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board subject to the overall limits as provided in Companies Act, 2013. c. Monthly Rent Free accommodation valued at Rs.1,74,960/- with an annual increase of 8 % plus water and electricity in the said house. This rent free accommodation is valued at Rs. 1,88,956/- w.e.f. 01-04-2018.			
(3) Recognition or awards	The information in this regard is NIL			
(4) Job profile and his suitability	Sh. Rajneesh Bansal, is associated with the Company since 1999. As an Executive Director of the Company he looks after various operations of the Company and he also contributes in process of formulation of business strategy for the growth of the Company. His contribution in the development of Company's Forex and Travel Business is exceptional.  Keeping in view his excellent performance during his tenure and his leadership skills, the Board considers him as best suitable candidate for this Role.			
(5) Remuneration proposed	The Remuneration proposed to be paid to Sh. Rajneesh Bansal is per the details set out in the Special Resolution mentioned at Item No. 3 of this Postal Ballot Notice.			
(6) Comparative remuneration profile with respect to industry,	There are no set standards for remuneration in the industry. The executive remuneration in the industry has been increasing significantly in last few years.			

size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Keeping in view the type /trends in the industry, size of the Company, the Profile and responsibilities shouldered by Sh. Rajneesh Bansal, the Company believes that the remuneration proposed to be paid to him as Executive Director is appropriate and commensurate with the industry standards.  Further the remuneration proposed to be paid to him is in accordance with the Nomination and Remuneration Policy of the Company and as per the approval and recommendation of Nomination and Remuneration Committee of the Board.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Sh. Rajneesh Bansal holds 149746 Equity shares in his name representing 14.566 % of total paid up Share Capital of the Company. Further, his pecuniary relationship with the Company during the FY 2017-18 is detailed in <b>Annexure 3-B- (a)</b> to this report.  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.
<b>III. Other information:</b>	
(1) Reasons of loss or inadequate profits	The Company has been a consistent performer for the last almost two decades. However, the profit margins may remain inadequate particularly for the purpose of this Resolution due to the fact that in FY 2017-18, the Company sold its MTSS Division which was a prime contributor to the Revenues of the Company. At the moment, the focus of the Company is to grow Forex and Travel Verticals and in the transitory period, there may be some strain on the profits of the Company.
(2) Steps taken or proposed to be taken for improvement	a. The Company has already started pursuing growth of Forex and Travel Verticals with a focussed approach. b. The sale proceeds received from sale of MTSS Division of the Company have been channelized in productive avenues. c. Rationalization of unproductive expense heads is already underway
(3) Expected increase in productivity and profits in measurable terms	The objective and focus of the Board of Directors is to take the Company to heights in Forex and Travel Division. Towards this end, the company has already put in place the required roadmap and in the backdrop of the re-engineered business model, it is hoped to sustain the profitability in the FY 2018-19 at same level as FY 2017-18 and in the FY 2019-20, the Company is expected to register growth in its profitability in the vicinity of 15-25%.

### **Annexure - 3-B-(a)**

Salary, Rent Free Accommodation & Commission Paid	<b>Duration of Contract</b> (Tenure From 01.04.2015 to – 31.03.2020)	<b>Amount paid during the FY</b> Rs. 42,00,000/- as Salary, Rent Free Accommodation valuing Rs. 25,24,230/- and Rs. 18,86,458/- as Commission
<b>Rent Paid</b>		
<b>Property</b>	<b>Duration of Contract</b>	<b>Amount paid during the FY</b>
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 <sup>rd</sup> & 4 <sup>th</sup> Floor of Plot No. 161, Industrial Area, Chandigarh	01/06/2017- 30/06/2018	Rs. 23,66,800/-
<b>Acquisition of Equity Shares of Paul Merchants Finance (P) Ltd. by the Company</b>		
<b>Particulars</b>	<b>Duration of Contract</b>	<b>Amount</b>
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/-

<b>JAIN &amp; ASSOCIATES CHARTERED ACCOUNTANTS</b>	<b>S.C.O. 819-20, Sector 22-A, Chandigarh Ph: 9876110632 PAN: AAAFJ6439Q Email: <a href="mailto:jainassociates1968@gmail.com">jainassociates1968@gmail.com</a></b>
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**TO WHOM SO EVER THIS MAY CONCERN**

As per information, explanations and confirmations provided to us by M/s Paul Merchants Limited, we are of the opinion that the proposed One Time Special Incentive to Mr. Sat Paul Bansal, Chairman Cum Managing Director amounting to Rs. 7,20,00,000/- (Rupees Seven Crores Twenty Lakhs Only) over his existing Remuneration on the following additional terms is fair and at Arm's Length:-

1. The above One time Special Incentive over and above his existing remuneration shall be paid to the Chairman Cum Managing Director in two instalments of equal amount.
2. The above One time Special Incentive shall be subject to Section 197 and other relevant Sections and Rules under the Companies Act, 2013 and accordingly the payment of One time Special Incentive 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.
3. With the payment of above stated One time Special Incentive to the Chairman Cum Managing Director, the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in the Financial Year in which a particular Instalment of the One Time Special Incentive shall be paid to the Chairman Cum Managing Director.

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

Date: 08-10-2018  
Place: Chandigarh

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

<b>JAIN &amp; ASSOCIATES CHARTERED ACCOUNTANTS</b>	<b>S.C.O. 819-20, Sector 22-A, Chandigarh Ph: 9876110632 PAN: AAAFJ6439Q Email: <a href="mailto:jainassociates1968@gmail.com">jainassociates1968@gmail.com</a></b>
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**TO WHOM SO EVER THIS MAY CONCERN**

As per information, explanations and confirmations provided to us by M/s Paul Merchants Limited, we are of the opinion that the proposed Remuneration to Mr. Sat Paul Bansal (DIN 00077499), Chairman Cum Managing Director of the Company for the Financial Year 2018-19 on the following terms is fair and at Arm's Length:-

1. Rs.12,00,000/- (Rupees Twelve Lakhs Only) per month.
2. 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

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

Date: 08-10-2018  
Place: Chandigarh

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



<b>JAIN &amp; ASSOCIATES CHARTERED ACCOUNTANTS</b>	<b>S.C.O. 819-20, Sector 22-A, Chandigarh Ph: 9876110632 PAN: AAAFJ6439Q Email: <a href="mailto:jainassociates1968@gmail.com">jainassociates1968@gmail.com</a></b>
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**TO WHOM SO EVER THIS MAY CONCERN**

As per information, explanations and confirmations provided to us by M/s Paul Merchants Limited, we are of the opinion that the proposed Remuneration to Mr. Rajneesh Bansal (DIN 00077230), Executive Director for his remaining tenure i.e. upto 31-03-2020 on the following terms is fair and at Arm's Length:-

1. Rs. 3,50,000/- (Rupees Three Lakhs Fifty Thousand Only) per month.
2. Monthly Rent Free Accommodation valued at Rs.1,88,956/- with an annual increase of 8 % over the last paid rent plus water and electricity charges in the said Accommodation
3. 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.

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

Date: 08-10-2018  
Place: Chandigarh

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