



**PAUL MERCHANTS**

**Paul Merchants Limited**

An ISO 9001 : 2015 Certified Company CIN : L74900DL1984PLC018679

Corp. Office : PML House, SCO 829-830, Sector 22-A, Chandigarh-160022

Ph. 0172-5041740, 5041757, 5041792 Fax : 0172-5041713

Regd. Office : DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg,

Najafgarh Road, New Delhi-110015 Ph. : 011-48702000

www.paulmerchants.net info@paulmerchants.net

**Corporate Relations Department,  
BSE Limited,  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001**

**PML/BSE/CS/2022/342  
Date: September 3, 2022**

**SUB:- 38th Annual Report of the Company for Financial Year 2021-22**

**Ref: Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**SCRIP CODE: - 539113**

Dear Sir,

Pursuant to the applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the 38th Annual General Meeting of the Company is scheduled to be held on Thursday, the 29<sup>th</sup> day of September, 2022 at 12.00 Noon (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in compliance with the Circular no. 02/2022 dated May 05, 2022 read over with its earlier Circular no. 21/2021 dated December 14, 2021, Circular no. 19/2021 dated December 08, 2021, Circular no. 02/2021 dated January 13, 2021, Circular no. 20/2020 dated May 5, 2020, Circular no. 17/2020 dated April 13, 2020 and Circular no. 14/2020 dated April 8, 2020 issued by Ministry of Corporate Affairs of India (collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May, 2022 read over with its earlier Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January, 2021, Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 issued by Securities and Exchange Board of India (SEBI).

Further, in terms of the provisions of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report of the Company for the Financial Year 2021-22 including the Notice of the 38th Annual General Meeting of the Company.



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You are requested to kindly take the same on your records.

Thanking You.

Yours faithfully,

For **PAUL MERCHANTS LIMITED,**

**(HARDAM SINGH)**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
**FCS 5046**

Encl: Annual Report of the Company for the FY 2021-22

**CC to:**

National Securities Depository Limited, Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013	Central Depository Services (India) Ltd, Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg Lower Parel, Mumbai 400013	Alankit Assignments Limited (RTA of the Company), ALANKIT HOUSE 1E/13, Jhandewalan Extension, New Delhi - 110055
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**38th ANNUAL REPORT  
FOR THE YEAR ENDED  
31st MARCH, 2022**



**PAUL MERCHANTS LTD.<sup>®</sup>**  
(An ISO 9001:2008 Certified Co.) (CIN: L74900DL1984PLC018679)

[www.paulmerchants.net](http://www.paulmerchants.net)

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**CORPORATE INFORMATION**

<p><b>BOARD OF DIRECTORS</b></p> <p>Mr. Sat Paul Bansal, Non-Executive Chairman          Mr. Rajneesh Bansal, Managing Director          Mrs. Sarita Rani Bansal, Non-Executive Director          Mr. Dharam Pal Sharma, Designated Whole Time Director          (Resigned w.e.f. 10.08.2022)          Mr. Ritesh Vaid, Designated Whole Time Director          Mr. Vigyan Prakash Arora, Independent Director          Mr. Dilbag Singh Sidhu, Independent Director          Mr. Ajay Arora, Independent Director          Mr. Inder Sain Negi, Independent category          Mr. Jeewan Lal Negi, Independent Director</p> <p><b>REGISTERED OFFICE</b></p> <p>DSM 335, 336, 337, 3<sup>rd</sup> Floor, DLF Tower, 15, Shivaji Marg,          Najafgarh Road, New Delhi -110015          TEL: 011-48702000          EMAIL: info@paulmerchants.net</p> <p><b>CORPORATE OFFICE</b></p> <p>SCO 829-830, Sector 22-A,          Chandigarh - 160 022          TEL: 0172-5041786, 5025090          FAX: 0172-5041713          EMAIL- info@paulmerchants.net          WEBSITE: <a href="http://www.paulmerchants.net">www.paulmerchants.net</a></p> <p><b>CIN: L74900DL1984PLC018679</b></p> <p><b>WHOLLY OWNED SUBSIDIARIES</b></p> <p>PML Realtors (P) Ltd          Paul Merchants Finance (P) Ltd</p> <p><b>Stock Exchange – BSE Ltd.</b></p>	<p><b>STATUTORY AUDITORS</b></p> <p>M/s Rajiv Goel and Associates,          Chartered Accountants,          S.C.O. 823-24, FF, Sector 22-A,          Chandigarh (Firm Regn. No.          011106N)</p> <p><b>INTERNAL AUDITOR</b></p> <p>CA Aarti Markan (FCA 502300)</p> <p><b>SECRETARIAL AUDITOR</b></p> <p>Mr. Anil Negi (ACS No. 46547)</p> <p><b>CHIEF FINANCIAL OFFICER</b></p> <p>CA Rajesh Garg (FCA 096484)</p> <p><b>COMPANY SECRETARY</b></p> <p>Mr. Hardam Singh (FCS 5046)</p> <p><b>PRINCIPAL BANKERS</b></p> <p>HDFC Bank          ICICI Bank          IndusInd Bank          Yes Bank          IDFC First Bank</p> <p><b>REGISTRAR &amp; TRANSFER AGENT</b></p> <p>Alankit Assignments Limited,          Corp. Office:-</p> <p>Alankit House, 4E/2, Jhandewalan          Extn. New Delhi- 110055 (INDIA)          Ph No. : 011-42541959</p> <p>Regd. Office: 205-208 Anarkali          Complex Jhandewalan Extension          New Delhi- 110055</p>
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**YEAR 2021-22 – AT A GLANCE (ON STAND ALONE BASIS)**

**MONEY EXCHANGE ACTIVITIES (FOREX)**

*Gross Turnover – Rs. 5266.26 Crores*

**OVERALL PERFORMANCE**

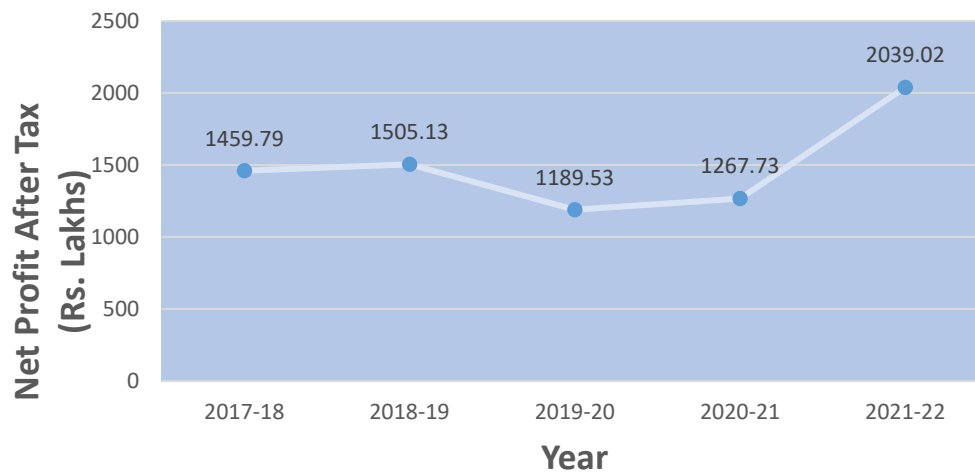
*Gross Revenues – Rs. 5272.86 Crores*

**PROFITABILITY**

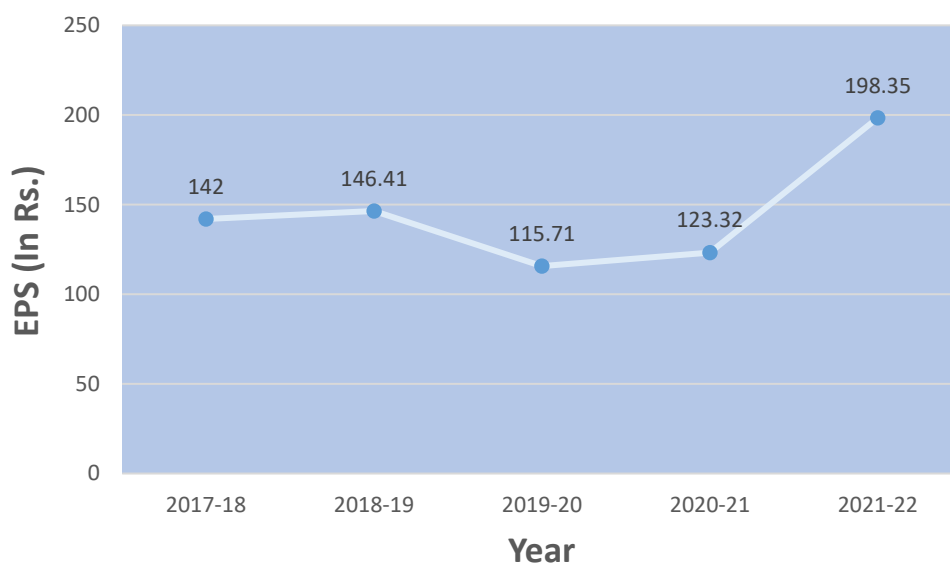
*Net Profit Before Tax – Rs. 27.38 Crores*

*Net Profit After Tax – Rs. 20.39 Crores*

## Net Profit Curve



## EPS (In Rs.)



**LIST OF BRANCH OFFICES OF THE COMPANY**

S No	Region	Branch Name	STATE	Address of the branch
1	WEST	AHEMDABAD	GUJARAT	GF 1, Mansuri House, Opp Behra-Munga School, Ashram Road, Ahmedabad - 380009
2	WEST	AHMEDABAD	GUJARAT	Shop No. 5, Ground Floor, Pramukh Palace, Jai Hind Cross Roads, Maninagar, Ahmadabad 380009
3	WEST	AHMEDABAD	GUJARAT	7, Krishna Tower, Opposite Sachin Tower, Anand Nagar, 100 Ft. Ring Road, Ahmedabad - 380014
4	NORTH	AJNALA	PUNJAB	Opp. Muthoot Finance Main Chowk, Chogawan Road, Ajnala-143102
5	NORTH	AMBALA	HARYANA	6351/14, 1 <sup>st</sup> Floor , Nicholson Road, Punjabi Mohalla, Ambala Cantt , Haryana - 133001
6	NORTH	AMRITSAR	PUNJAB	Ground Floor, Shop No 5, Deep Complex, Court Road, Opp. Doawa Automobiles, Amritsar-143001
7	NORTH	BAGGAPURANA	PUNJAB	Shop No. 41 G/F, Bus Stand Market, Kotkapura Road , Baghapurana Distt Moga
8	NORTH	BANGA	PUNJAB	Ground Floor, Opp Civil Hospital, Main Road , Banga 144505
9	NORTH	BARNALA	PUNJAB	B12/256-257-258-259, Pakka College Road, Oppp Darbari Lal Tondon House Barnala 148101
10	NORTH	BATALA	PUNJAB	SCO 30, Fuwara Chowk, Jalandhar Rd, Batala, Punjab 143505
11	NORTH	BATHINDA	PUNJAB	Ground Floor, Shop No 3039-A, Sharma Complex, Power House Road , Opposite Traffic Police, Bathinda (Punjab)
12	NORTH	BHAGSUNATH	HIMACHAL PARDESH	Hotel Meghawan Resort; VPO Bhagsunag , Tehsil Dharamshala , Distt. Kangra , Himachal Pradesh 176219
13	NORTH	BATHINDA	PUNJAB	The Mall, Hanuman Chowknk, Bathinda
14	CENTRAL WEST	BHOPAL	MADHYA PRADESH	Shop No. G-15 , Deendayal Parisar, E-2 Arera Colony , Bhopal, Madhya Pradesh
15	NORTH	BIR	HIMACHAL PARDESH	Bir Tibetan Colony , Opposite Surya Classic Hotel, Village Chaugan , Teh Baijnath Distt. Kangra . Himachal Pradesh 176077
16	NORTH	CHANDIGARH	CHANDIGARH UT	SCO No 829-830, Sector 22-A, Chandigarh-160022
17	SOUTH	COCHIN	KERALA	No.1 & 2, Ground Floor, Corp No. 35/1460 C , Penta Estate, Janatha Junction, Palarivattom, Kochi - 682025
18	NORTH	CP DELHI	NEW DELHI	LGF 136 & LGF 125 , World Trade Center, Babar Road , Connaught Place, New Delhi - 110001
19	NORTH	DASUYA	PUNJAB	G.T Road , Near Punjab National Bank, Dasuya
20	NORTH	DLF DELHI	NEW DELHI	DSM 335,336,337, 3 <sup>rd</sup> Floor , DLF Tower, 15 Shivaji Marg, Najafgarh Road, Moti Nagar, New Delhi



21	NORTH	FARIDKOT	PUNJAB	Jubilee Cinema Chowk, College Road, Opp. Canara Bank, College Road, Faridkot (Punjab)
22	NORTH	FEROZEPUR	PUNJAB	The Mall Road, Shaheed Udham Singh Chowk Market, Opp. Axis Bank, Ferozpur City
23	NORTH	GARDHIWALA	PUNJAB	Shop No 08, Near College Canteen, VPO Gardhiwal, Dasuya Road, Distt Hoshiarpur Punjab.
24	NORTH	GARHSHANKAR	PUNJAB	Opp SBOP, Near Railway Station, Hoshiarpur Road, Garhshankar-144527
25	NORTH	GURDASPUR	PUNJAB	Shop No.1, Shivam Market, Opp LIC Office, G T Road, Gurdaspur-143521
26	NORTH	GURGAON	HARYANA	Shop No.117, Ground Floor, AKD Tower, Sector – 14, Gurgaon (Haryana)
27	NORTH	HOSHIARPUR	PUNJAB	Roshan Ground ,Near Bengali Sweet Shop, Phagwara Chowk, Hoshiarpur-146001
28	NORTH	HOSHIARPUR	PUNJAB	Near Cooperative Bank, Railway Road, Hoshiarpur 146001
29	SOUTH	HYDERABAD	TELANGANA	5 & 6 Upper Ground Floor, Liberty Plaza, Himayath Nagar, Hyderabad - 500029
30	CENTRAL WEST	INDORE	MADHYA PRADESH	U.G.1 Royal Ratan, 7, M.G. Road, Indore, Madhya Pradesh
31	CENTRAL WEST	JABALPUR	MADHYA PRADESH	Shop No. 7 - 8 , Narmada Plaza, Bloom Chowk, Shastri Bridge, Jabalpur, M.P
32	NORTH	JAGRAON	PUNJAB	Tehsil Road, Opp. SSP Office, Jagraon, Distt Ludhiana
33	NORTH WEST	JAIPUR	RAJASTHAN	8, Katwa Bhawan, Opp. Ganpati Plaza, M.I.Road, Jaipur 302001
34	NORTH	JALANDHAR	PUNJAB	Shop No 2, York Building BMC Chowk, Near Radisson Hotel, Jalandhar
35	NORTH	JAMMU	JAMMU AND KASHMIR	Shop No. AE1, Part Of E3, Situated At Karan Market Jammu, Pin Code-180002
36	NORTH	KARNAL	HARYANA	DSS No-207, Sec 12 Part 1, Karnal, Opp Muthoot Finance
37	NORTH	KASOL	HIMACHAL PARDESH	VPO Kasol , Teshil Bhunter , Distt Kullu , Himachal Pradesh
38	NORTH	KHANNA	PUNJAB	Ground Floor, Hardyal Complex , Near Jain Sweet Shop, Opp Bus Stand , Khanna
39	NORTH	KURUKSHETRA	HARYANA	SCO No-39, Sec 17, Main Market, Kurukshetra,
40	NORTH	LEH	JAMMU AND KASHMIR	Main Bazaar Road, Opposite State Bank of India, Leh-194101
41	NORTH	LPU PHAGWARA	PUNJAB	Shop No 309, Shopping Mall, Lovely Professional University Campus, Jalandhar-Delhi G.T Road NH -1 Phagwara (Distt, Kapurthala)-144401
42	NORTH CENTRAL	LUCKNOW	UTTAR PRADESH	Shop No. 3 , 37, Cantt Road, Upper Ground Floor, Lucknow - 226001
43	NORTH	LUDHIANA	PUNJAB	SCO 14, 1st Floor , Green Park Avenue , Canal Colony Pakhowal Road, Ludhinana
44	NORTH	MAHILPUR	PUNJAB	Phagwara Road, Mahilpur, Distt Hoshiarpur-146105

45	NORTH	MANALI	HIMACHAL PARDESH	Shop No.5 , Ram Bag, The Mall Manali, (Distt Kullu), Himachal Pradesh-175131
46	NORTH	MCLEODGANJ	HIMACHAL PARDESH	Shop No. 1 A , Ground Floor, Asian Plaza Complex , Opp Main Bus Stand Chowk , Main Square , Mcleodganj, Dharmshala , Himachal Pradesh 176219
47	NORTH	MCLEODGANJ	HIMACHAL PARDESH	Shop. No.1 & 2, Main Square, Mcleodganj, Dharamshala, Distt. Kangra
48	NORTH	MOGA	PUNJAB	Ground Floor, Puri Complex, G T Road, Moga-142001
49	NORTH	MOGA	PUNJAB	SCO/SCF-24, Ground Floor, Lal Bahadur Shastri Complex Of Improvement Trust, Near Axis Bank, G T Road, Moga, (Punjab)
50	NORTH	MOHALI	PUNJAB	Booth No 17, Phase VII, Mohali
51	WEST	MUMBAI	MAHARASHTRA	Shop No.8 , Chintamani Plaza , Andheri Kurla Road , Chakala, Andheri East , Mumbai - 400099
52	WEST	NADIAD	GUJARAT	Shop No.10, Municipal Shopping Centre, Opp Paras Cinema, Nadiad
53	NORTH	NAKODAR	PUNJAB	Banwari Towers, G.F., Opp Bus Stand, Near Oriental Insurance, Nakodar (Distt Jalandhar)
54	NORTH	NAWANSHAHR	PUNJAB	Near Rai Market, Adjoining PNB, Ambedkar Chowk, Near Bus Stand, Nawanshahr-144514
55	NORTH	PATHANKOT	PUNJAB	Building No. 2, Ground Floor, Opp. Venice Hotel, Dhangu Road, Pathankot-145001
56	NORTH	PATIALA	PUNJAB	Opp. Gurudwara Dukhniwaran Sahib, Passey Road, Patiala 1470001
57	NORTH	PEHOWA	HARYANA	Opp Bus Stand, Near Chabbra Sweet House, Ambala Road, Pehowa - Haryana - 136128
58	NORTH	PHAGWARA	PUNJAB	#37, Lower Ground Floor, Handa City Centre , Opp. Bus Stand, Phagwara (Distt Kapurthala)-144401
59	NORTH	PHILLAUR	PUNJAB	Old Nawanshahar Road, Phillaur, Punjab
60	WEST	RAJKOT	GUJARAT	Shop No. U 32, Neptune Tower , Opp Jalaram Petrol Pump, Kalwad Road, Rajkot 360001
61	NORTH	RUPNAGAR	PUNJAB	SCO No. 24, Beant Singh Aman Nagar, Rupnagar Part-2,
62	NORTH	SRI GANGANAGAR	PUNJAB	Shop No 12, L Block, Opp. Radhe Shyam Kothi & Thareja Hospital, Radhe Shyam Kothi Road, Sri Ganganagar -335001
63	NORTH	SUDHAR	PUNJAB	Above Jio Store, First Floor, Near Dashmesh Medical Store, Sudhar, PIN 141104
64	NORTH	SUNDER NAGAR	HIMACHAL PARDESH	Shop at Bhojpur, Abutting To NH 21, Mandi Road , Sunder Nagar, Himachal Pradesh - 174401
65	WEST	SURAT	GUJARAT	Shop No.318, Upper Ground Floor, Turning Point Complex, Near Majura Fire Station, Ghod Dod Road, Surat – 395007
66	NORTH	TANDA	PUNJAB	Opp Municipal Office, Near Bus Stand, Deep Complex, Tanda Umar

67	NORTH	TARN TARAN	PUNJAB	Guru Ram Dass Marg, Char Khamba Chowk, Opp Punjab & Sind Bank, Tarntaran
68	NORTH	UNA	HIMACHAL PARDESH	Shop No 2, Near Lovely Sweet Shop, Amb Road, Una, Himachal Pradesh -174303
69	NORTH	URAPAR	PUNJAB	Opp Near Gurudwara Shaheed Ganj, VPO Urapar, Distt Nawashahar (Punjab)
70	WEST	VADODARA	GUJARAT	Shop No 102, First Floor, Dwarkesh Complex, Near Welcome Hotel, R.C. Dutt Road, Alkapuri, Vadodara-390005
71	NORTH	ZIRAKPUR	PUNJAB	SCO No 3-4, Ground Floor, Shree Balaji, Complex, Patiala Road, Zirakpur-140606

**NOTICE**

**NOTICE** is hereby given that 38<sup>th</sup> Annual General Meeting of the Shareholders of M/s Paul Merchants Limited will be held on Thursday, the 29<sup>th</sup> day of September, 2022 at 12.00 Noon (IST) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022 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, 2022 and the Report of the Auditors thereon.
3. To appoint a Director in place of Smt Sarita Rani Bansal (DIN 00094504), who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Sh. Sat Paul Bansal (DIN 00077499), who retires by rotation and being eligible, offers himself for reappointment.

**SPECIAL BUSINESS:**

**5. TO CONSIDER AND, IF THOUGHT FIT, TO PASS FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:-**

**“RESOLVED THAT** in partial modification to the earlier Special Resolution passed by the Members of the Company in their Annual General Meeting held on 29.09.2020, pursuant to the provisions of Section 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) read with Schedule V to the said Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable Rules made under the Act and Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any Statutory modification(s) or re-enactment thereof for the time being in force), subject to the Articles of Association of the Company and subject to such other approvals and compliances as per the applicable provisions of the Act and other applicable Statutes, as may be necessary, the approval of the Members of the Company be and is hereby accorded to the revised remuneration of Sh. Rajneesh Bansal (DIN 00077230), Managing Director of the Company w.e.f. 01-04-2022, on the following terms and conditions:-

- a. **Salary:-** Within the range of Rs. 1,00,00,000/- (Rupees One Crore Only) per annum to Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum w.e.f. 01.04.2022.

- b. **Commission:-** Upto 3% of the Net Profits of the Company computed under Section 198 of the Act, earned during any financial year based upon his performance, as decided by the Nomination and Remuneration Committee of the Board.
- c. **Benefits:-** Monthly Rent Free Accommodation (RFA) + annual increase in the notional value of the said RFA is included in the remuneration range given above in (a). In addition, the Water/electricity and Property Tax in the said RFA shall also be borne by the Company on actual basis. There will be no other benefits, bonuses, stock options, pension, emoluments, allowances etc.
- d. **Service Contract period:-** 5 years i.e. from 01-04-2020 till 31-03-2025
- e. **Remuneration period :-** 3 years i.e. from 01-04-2022 till 31-03-2025
- f. **Notice Period:-** Three months.
- g. **Severance Fees:-** No severance fees is payable to him.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, Sh. Rajneesh Bansal (DIN 00077230) will be paid the Remuneration as specified above, subject to compliance with the applicable provisions of the Act and Schedule V to the Act.

**RESOLVED FURTHER THAT** with the payment of Remuneration as above to Sh. Rajneesh Bansal (DIN 00077230), 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 and other applicable provisions of the Companies Act, 2013 in any Financial Year.

**RESOLVED FURTHER THAT** Liberty and Authority be and is hereby given to the Board of Directors of the Company, which will be deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution, to decide all questions arising out of this matter, to take all requisite steps to give effect to this resolution, to fix the remuneration within the above range and to vary, alter and modify the terms and conditions governing the remuneration of the Managing Director of the Company including allowing increments in Salary within the aforesaid range, as may be agreed between the Board of Directors or Board Committee and the Managing Director Sh. Rajneesh Bansal (DIN 00077230) from time to time, subject to the provisions of all applicable Laws.”

**6. TO CONSIDER AND, IF THOUGHT FIT, TO PASS FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:-**

**“RESOLVED THAT** pursuant to Regulation 17(1A) and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and other applicable provisions, if any, of the Companies

Act, 2013 and Rules framed thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members of the Company be and is hereby accorded to the continuation of directorship of Smt. Sarita Rani Bansal (DIN 00094504) after she attains the age of 75 years on 08-01-2023, as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, which will be deemed to include any Committee of the Board constituted to exercise its powers, be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.”

Place: Chandigarh  
Date: August 10, 2022

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 (Act), in respect of item No. 5 and 6 of the Notice convening the Annual General Meeting (AGM) is annexed hereto.
- (2) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its Circular no. 02/2022 dated May 05, 2022 read over with its earlier Circular no. 21/2021 dated December 14, 2021, Circular no. 19/2021 dated December 08, 2021, Circular no. 02/2021 dated January 13, 2021, Circular no. 20/2020 dated May 5, 2020, Circular no. 17/2020 dated April 13, 2020 and Circular no. 14/2020 dated April 8, 2020 (collectively referred to as "MCA Circulars") and SEBI vide its Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May, 2022 read over with its earlier Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January, 2021, Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 had permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations") and the said MCA and SEBI Circulars, the 38<sup>th</sup> AGM of the Company is being held through VC / OAVM. The special business proposed to be transacted at the ensuing AGM as set out in the Notice, has been considered as unavoidable by the Board of Directors of the Company. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 20, 21 and 23. The deemed venue for the 38<sup>th</sup> AGM shall be the Registered Office of the Company.
- (3) Attention of the Holders of Securities in Physical Mode is invited to Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 and clarification vide Circular No. SEBI/HO/MIRSD/MIRSD-RTAMB/P/CIR/2021/687 dated December 14, 2021 issued by SEBI. SEBI vide these Circulars have mandated the furnishing of PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities. Effective January 1, 2022, Grievance Redressal / Service Requests can be availed with the RTA only after the required Documents / Complete data as mandated are furnished for physical folios. If any ONE of the cited documents / details as enunciated in the said circular are NOT available on or after April 1, 2023, the folios shall be Frozen by the Registrar and Share Transfer Agent of the Company (RTA). Unless the aforesaid requirements are complied with, the security holders in the frozen folios shall NOT be eligible:-
  - a. To lodge any grievance or avail service request from the RTA
  - b. To receive any payment including dividend, Interest or Redemption Amount (which would be only through Electronic Mode)

Non-Compliant Frozen folios shall be referred by the RTA / Listed Company to the Administering Authority under the Benami Transactions (Prohibition) Act, 1988 and/or Prevention of Money Laundering Act 2002, if they continue to remain frozen as on December 31, 2025

As per the above SEBI Circulars, Members are advised to use the following formats for submitting various service requests:-

- a. For all investor service requests, duly filled up request Form ISR-1
- b. For updating the PAN and KYC details, issue specific authorization as provided in Form ISR-1
- c. For Nomination, use Form SH-13
- d. For issuing a Declaration to Opt-out', use Form ISR-3
- e. In case of major mismatch in the signature of the holder as available in the folio of the RTA and the present signature or if the same is not available with the RTA, then the holder / claimant shall furnish original cancelled cheque and banker's attestation of the signature as per Form ISR-2.
- f. PAN is mandatory for all transactions in securities market
- g. For cancellation of nomination or changing the nominee, use Form SH-14

The above Forms are available on the Website of the Company [www.paulmerchants.net/Investors](http://www.paulmerchants.net/Investors). Further, the above mentioned SEBI Circulars are also available on the website of the Company at <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/Circular-dated-November-03-2021.pdf> and <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/Clarifications-with-respect-to-Circular-dated-November-03-2021.pdf>

It shall be mandatory for all holders of physical securities in listed company to furnish the following documents / details to the RTA:-

- i. PAN
- ii. Nomination (for all eligible folios)
- iii. Contact details like Postal address with PIN, Mobile number, E-mail address
- iv. Bank account details (bank name and branch, bank account number, IFS code)
- v. Specimen signature

The Company had disseminated the requirement of the holders of physical securities of the Company to furnish valid PAN, KYC details and Nomination, on its



website [www.paulmerchants.net/Investors](http://www.paulmerchants.net/Investors). The Company had also directly intimated its securities holders about folios which are incomplete i.e. about the aforesaid requirement.

- (4) 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.
- (5) 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/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 and SEBI Circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 for updation of KYC details. Further, the attention of the members is also invited to Gazette Notification dated 08-06-2018 by SEBI, vide which SEBI had mandated that transfer of Securities of the Company would be carried out in dematerialized form only and has further mandated that with effect from 01-04-2019, it should be ensured that shares which are lodged for transfer shall be in dematerialized form only. Necessary communications to this effect had 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.
- (6) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company from September 23, 2022 (9.00 A.M. IST) to September 25, 2022 (5.00 P.M. IST) through email to [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net). The same will be replied by the Company suitably.
- (7) In accordance with Section 20 of the Companies Act, 2013, service of documents on members by a company is allowed through electronic mode. Further in compliance with the MCA Circulars and SEBI Circular mentioned in Note no. 2, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.paulmerchants.net](http://www.paulmerchants.net) and the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com) (Adobe PDF can be downloaded at <https://get.adobe.com/reader>). The copies of the Notice and Annual Report 2021-22 will also be available for inspection in electronic mode, basis the

request being sent on investor.redressal@paulmerchants.net. Physical copy of full annual report shall be sent to those shareholders who request for the same and request in this regard may be submitted to investor.redressal@paulmerchants.net.

- (8) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (9) Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
- (10) 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. Pursuant to the circular issued by the Ministry of Corporate Affairs (MCA) with respect to IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 dated May 10, 2012, the information of unclaimed and unpaid Dividend, up to the date it remained unpaid/unclaimed was duly filed by the Company with the Ministry of Corporate Affairs (MCA). MCA had also uploaded details of the same on its website at [www.iepf.gov.in](http://www.iepf.gov.in). Further, the information of unclaimed and unpaid Dividend as on 31.03.2022 in respect of Interim Dividend declared and paid by the Board of Directors of the Company for the Financial Year 2019-20 and confirmed as Final Dividend by the Shareholders in their Annual General Meeting held on 29.09.2020, shall be filed by the Company with the Ministry of Corporate Affairs (MCA) for the Financial Year 2021-22 in due course. As on 31-03-2022, the Company has following unclaimed or unpaid dividend amount pertaining to dividends declared for the earlier financial years:-

Financial Year	No. of Shareholders	Amount of Unclaimed / Unpaid Dividend
Dividend for the Financial Year 2019-20	43	Rs. 21,732

The details of the aforesaid dividend is also uploaded on the website of the Company at <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/Unclaimed-Dividend-2019-20-as-on-31.03.2022-1.pdf>

- (11) In terms of Section 152 of the Companies Act, 2013, Smt Sarita Rani Bansal (DIN 00094504) and Sh. Sat Paul Bansal (DIN 00077499), Directors, retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment and the Board of Directors of the Company recommends their re-appointment. Their brief resumes are annexed with the Notice of the AGM as **Annexure-N1** and **Annexure-N2** respectively. Brief Resumes of other Directors proposed to be appointed/re-appointed including the ones whose remuneration is proposed to be approved/revised, 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and applicable Secretarial Standards are also annexed with the Notice of the AGM.

- (12) The Directors seeking appointment/reappointment have furnished the declarations 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 re-appointment.
- (13) All the documents referred to in the accompanying Notice and Explanatory Statement, including the copies of the resolutions passed at the meeting of the Nomination and Remuneration Committee and the Board of Directors, shall be made available for inspection of the Members through electronic mode, basis the request being sent on [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net), up to the date of AGM. The 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 in electronic mode to any person having right to attend the AGM, basis the request being sent on [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net).
- (14) Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from 15-09-2022 to 21-09-2022 (both days inclusive) for the purpose of AGM. Further, the members who hold shares as on the Cut off date i.e. Thursday, September 22, 2022 shall be entitled for voting (including remote e-voting) for the Annual General Meeting.
- (15) 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.
- (16) Members are advised to refer to the General Shareholders Information as provided in this Annual Report.
- (17) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of their Board or Governing Body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC / OAVM and vote on their behalf. The said Resolution/Authorization should be sent to the Scrutinizer by email through their registered email address to [kanwalcs@gmail.com](mailto:kanwalcs@gmail.com).
- (18) Since the resolutions as set out in this Notice are being conducted through remote e-voting and by way of evoting during the AGM, the said resolutions will not be decided on a show of hands at the AGM in terms of the provisions of Section 107 of the Companies Act, 2013.
- (19) **E-VOTING- PROCESS AND MANNER:**

- a. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company is providing facility for voting by electronic means to its members to enable them to cast their votes electronically through remote e-voting (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting) and for this purpose the Company has engaged the services of Central Depository Services (India) Limited (CDSL) and as such, the business of the AGM shall be transacted through such voting. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. This remote e-voting facility is available on all resolutions set forth in this Notice and as such the business of the AGM shall be transacted through such voting. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility
- b. The Company shall also provide facility for voting through e-voting system during the AGM 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 AGM through evoting.
- c. The members who have already cast their vote by remote e-voting, may also attend and participate in the AGM but shall not be entitled to cast their vote again at the AGM.
- d. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- e. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again.
- f. The remote voting period begins on 09:00 a.m. (IST) on Monday, September 26, 2022 and ends on 05:00 p.m. (IST) on Wednesday, September 28, 2022. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22-09-2022 may cast their vote electronically. Remote e-voting shall not be allowed beyond the said date and time and the e-voting module shall be disabled by CDSL for voting thereafter. As on the said cut-off date, the right of voting of the Members shall be reckoned and a person who is not a Member of the Company as on the cut off date should treat this Notice for information purposes only

- g. 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 evoting at the AGM in a fair and transparent manner.
- h. The cut-off date for the purpose of evoting (including remote e-voting) and for attending the AGM is after closing hours of Thursday, 22<sup>nd</sup> September, 2022.
- i. Members are requested to carefully read the instructions for remote e-voting before casting their vote.
- j. 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 for remote evoting:-

<b>Commencement of remote e-voting</b>	Monday, 09:00 a.m. (IST) on September 26, 2022
<b>End of remote e-voting</b>	Wednesday, 05:00 p.m. (IST) on September 28, 2022
<b>Cut Off date</b>	Thursday, 22 <sup>nd</sup> September, 2022

**(20) The procedure and instructions for remote e-voting and joining Virtual AGM are as under:**

- (i) As per SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020**, e-voting has been enabled to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (ii) In terms of the said **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by the Company, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- (iii) Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:-

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further



<p>holding securities in Demat mode with <b>CDSL</b></p>	<p>authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:-

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43 and Toll Free no. 1800225533.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**(21) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form:-**

- a. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- b. Click on "Shareholders" module.
- c. Now enter your User ID
  - For CDSL: 16 digits beneficiary ID
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- d. Next enter the Image Verification as displayed and Click on Login.
- e. 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 e-voting of any company, then your existing password is to be used.
- f. If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	<ul style="list-style-type: none"> <li>• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>



Dividend Bank Details <b>OR</b> 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.
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- g. After entering these details appropriately, click on "SUBMIT" tab.
- h. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 is to be also used by the demat holders 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.
- i. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice
- j. Click on the EVSN for Paul Merchants Ltd
- k. 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 option NO implies that you dissent to the Resolution
- l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details
- m. 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
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote
- o. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page
- p. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system

**(22) Instructions for Non – Individual Shareholders and Custodians – For Remote evoting only**

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- ii. 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).
- iii. 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.
- iv. 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.
- v. 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.
- vi. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer @ [kanwalcs@gmail.com](mailto:kanwalcs@gmail.com) and to the Company at the email address viz; [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net), if they have voted from individual tab & not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

**(23) INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:-**

- a. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its Circular no. 02/2022 dated May 05, 2022 read over with its earlier Circular no. 21/2021 dated December 14, 2021, Circular no. 19/2021 dated December 08, 2021, Circular no. 02/2021 dated January 13, 2021, Circular no. 20/2020 dated May 5, 2020, Circular no. 17/2020 dated April 13, 2020 and Circular no. 14/2020 dated April 8, 2020 (collectively referred to as “MCA Circulars”) and SEBI vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May, 2022 read over with its earlier Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January, 2021, Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 have permitted the holding of the Annual General Meeting (“AGM”) through Video Conference (VC) / Other Audio Visual Means (OAVM), without the

physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations") read with the Circulars issued by MCA and SEBI, the 38<sup>th</sup> AGM of the Company is being held through VC / OAVM.

- b. Since this AGM is being held pursuant to the above said Circulars issued by MCA and SEBI through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice and Attendance Slip and Route Map are also not annexed to this Notice for the same reason. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- c. The procedure for e-Voting on the day of the AGM is same as per the instructions mentioned above for e-voting.
- d. The link for VC/OAVM to attend AGM will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- e. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- f. Shareholders are encouraged to join the AGM through Laptops / iPads for better experience.
- g. Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- h. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- i. The Members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee of Directors, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc. may be allowed to attend the meeting without any restrictions on first come first served basis.
- j. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from

their registered email address in advance from September 23, 2022 (9.00 A.M. IST) to September 25, 2022 (5.00 P.M. IST) mentioning their name, demat account number/folio number, email id, mobile number at [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net). Those Members who have registered themselves as speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The shareholders who do not wish to speak during the AGM but have queries may send their queries from September 23, 2022 (9.00 A.M. IST) to September 25, 2022 (5.00 P.M. IST) from their registered email addresses mentioning their name, demat account number/folio number, email id, mobile number at [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net). These queries will be replied to by the company suitably.

- k. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- l. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**(24) PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

- i. For Physical shareholders- Please refer to the instructions given at Note no. 3.
- ii. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
- iii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository
- iv. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**(25) GENERAL INSTRUCTIONS**

- I. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022- 23058542/43 Toll Free no. 1800225533. Further details in this regard are given in para VIII below.
- II. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on the cut off date i.e. 22-09-2022
- III. The scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than 24 Hours from conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Meeting 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 of the Meeting or any other person duly authorized by him in writing on Friday, September 30, 2022 at 2.00 PM at Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022.
- IV. 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, Scrutinizer or any other person till the votes are cast in the meeting.
- V. The Scrutinizer's decision on the validity of the vote shall be final and binding.
- VI. The result declared along with the Scrutinizer's report shall be placed on the website of the Company ([www.paulmerchants.net](http://www.paulmerchants.net)) and on the website of CDSL ([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.
- VII. 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.

- VIII. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43 or Toll Free no. 1800225533.. You may also contact Mr. Hardam Singh, Company Secretary cum Compliance Officer 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.

**(26) INSTRUCTIONS FOR E-VOTING FOR PERSONS BECOMING MEMBER OF THE COMPANY AFTER THE DISPATCH OF NOTICE:-**

**For individual shareholders holding shares in Demat form:-**

Those persons, who have acquired shares and have become members of the Company after the dispatch of Notice of the AGM by the Company and whose names appear in the Register of Members as of the cut-off date i.e. 22-09-2022 are requested to view the Annual Report of the Company on the website of the Company at [www.paulmerchants.net](http://www.paulmerchants.net) or on the website of CDSL ([www.evotingindia.com](http://www.evotingindia.com)) for instructions relating to e-voting and for attending the AGM. The detailed procedure for obtaining login Id, password, authentication and exercising remote e-voting and evoting at the AGM is already provided in the instructions given above.

**Physical Shareholders:-**

Physical shareholders may obtain the login id and sequence number by sending a request to RTA of the Company M/s Alankit Assignments Ltd, Alankit House, 4E/2, Jhandewalan Extn. New Delhi- 110055 (INDIA) Ph No. : 011-42541959 email id [ramap@alankit.com](mailto:ramap@alankit.com) or Company at mail id [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net)

**Other shareholders:-**

If the said shareholder is already registered with CDSL for e-voting, then his/her 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](http://www.evotingindia.com). For physical shareholders, the same process as outlined be followed.

**(27) GENERAL:-**

In this Annual Report, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been referred to as "Listing Regulations", Companies



Act, 2013 has been referred to as “Act” and Annual General Meeting has been referred to as “AGM”. Further at various places in the Annual Report, the Financial Year 2021-22 has been referred to as “the year under review”.

Place: Chandigarh  
Date: August 10, 2022

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

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

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

**ITEM NO. 5**

The present term of Sh. Rajneesh Bansal (DIN 00077230), Managing Director of the Company is valid upto 31.03.2025 and his remuneration approved by the Shareholders is valid till 31-03-2023. Drawing its authority from the Resolutions passed by the Board of Directors on 18-08-2020 and by Shareholders of the Company on 29-09-2020 in this regard, the Nomination and Remuneration Committee in its meeting held on 28.04.2022, had revised the remuneration payable to Sh. Rajneesh Bansal, Managing Director of the Company in the following manner w.e.f. 01-04-2022, based upon his performance evaluation as per the Nomination and Remuneration Policy viz a viz the performance of the Company under his leadership:-

- Salary: Rs. 15,00,000/- per Month
- Commission:- 3% of the Net Profits of the Company computed under Section 198 of the Companies Act, earned during any financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board.
- Benefits:- Monthly Rent Free accommodation (RFA) valued at Rs. 2,57,072/-+ annual increase @ 8%. In addition, the Water/electricity in the said RFA shall also be borne by the Company on actual use basis. No other benefits, bonuses, stock options, pension, emoluments, allowances etc

The above revised remuneration necessitated increase in the remuneration range of the Managing Director, which was earlier approved by the Shareholders in their Annual General Meeting held on 29.09.2020 and as such, is subject to approval by the Shareholders. Accordingly, the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee had, subject to the Provisions of Sections 196, 197, 198, 203 and all other applicable Provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V of the said Act, revised the remuneration payable to Mr. Rajneesh Bansal (DIN 00077230) as Managing Director of the Company w.e.f. 01-04-2022 by way of revising the terms and conditions and by increasing the Remuneration range in the annual bracket of Rs. 1.00 crores to Rs. 5.00 crores, subject to approval of the shareholders of the Company. The said revised remuneration is set out in the Resolution at item no. 5 of the Notice. The said remuneration and other terms and conditions as set out in the said Resolution may be treated as a written memorandum setting out the terms of remuneration of Sh. Rajneesh Bansal under Section 190 of the Act. The Statutory Auditors of the Company have issued their certificate that the proposed remuneration and other terms and



conditions shall be at Arm's Length. The said Certificate has been appended at the end of the Explanatory Statement to this Notice as **Annexure-N3**. The detailed conditions have been provided in the Resolution itself.

As per the requirements of Section 196 and 197 of the Companies Act, 2013 and the provisions of Schedule V thereto, the appointment/re-appointment of the Managing Director/Whole Time Directors and their remuneration is to be made with approval of the Shareholders in the General Meeting and it is further provided that except with the approval of the company in general meeting by a special resolution, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director, remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together. As the proposed remuneration of Sh. Rajneesh Bansal as Managing Director of the Company is likely to exceed 5% of the Net Profits and remuneration of all whole time directors, taken together is likely to exceed 10% of the net profits of the Company, the matter requires approval of the Shareholders of the Company by way of Special Resolution.

It is further provided in Schedule V to the Act that the Special Resolution passed for payment of remuneration to a managerial person at the general meeting of the company, should be for a period not exceeding three years. As such, the proposed remuneration payable to the Managing Director shall be valid for three yearly only i.e. from 01-04-2022 till 31-03-2025, as spelt out in the Resolution set out at item no. 5 of the Notice.

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

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

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

As the proposed remuneration of Mr. Rajneesh Bansal as Managing Director of the Company on stand alone basis and along with other Executive Directors taken together is likely to exceed the above thresholds, the matter requires approval of the Shareholders of the Company by way of Special Resolution.

Further, as per the provisions of Section 197 of the Companies Act, 2013 read with Section II of Part II of Schedule V, in case of absence or inadequacy of profits, the remuneration to be paid in excess of the limits specified in Section II of Part II of Schedule V has to be approved by the Members by way of a Special Resolution.

Though, the Company has been a consistent performer for the last almost two decades, however, the profit margins may remain inadequate particularly for the purpose of paying Managerial Remuneration due to the fact that the Indian Economy as well as Global Economy is still grappling with the after effects of Covid 19 and International Tourism has still not returned to full normalcy, which is a crucial requirement for Forex and Travel Verticals of the Company. Accordingly, if the Company's profits are inadequate due to the aforesaid tough external environment, the approval of the Members by way of a Special Resolution will be required for payment of an overall remuneration exceeding the limits specified in Section 197 and Schedule V of Companies Act, 2013. Therefore, in order to suitably remunerate Mr. Rajneesh Bansal, Managing Director, keeping in view his entitlement and existing remuneration, as also the competitive market practices, if the Company's profits become inadequate, the approval of the Members is sought for payment of a remuneration as set out in the Resolution at item no. 5 of the Notice.

Therefore, revision in the remuneration of the Managing Director of the Company is placed for approval of the Members of the Company at the ensuing Annual General Meeting. The Board of Directors recommend the Resolution set out at Item no. 5 to be passed as Special Resolution by the Members.

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

As on 31-03-2022, Sh. Rajneesh Bansal holds 294253 (28.62%) Equity Shares in the Company and does not hold any Stock Options.

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

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

As such your Directors have considered the above parameters in relation to revision in remuneration of Mr. Rajneesh Bansal as Managing Director. The said proposal has also been approved by the Nomination and Remuneration Committee of the Board and by Audit Committee of the Board. The required information as per the above said parameters is given below for the consideration of the Shareholders while according their approval for the revised remuneration of the Managing Director Mr. Rajneesh Bansal:-

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

**On Standalone basis:-**

PARTICULARS	FY 2019-20	FY 2020-21	FY 2021-22
Total Income	53,71,17,02,593	29,83,62,46,925	53,00,23,66,294
Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation)	20,80,08,609	21,32,27,088	30,01,93,629
Profit from Continued Operations before Tax and exceptional items	17,85,16,369	19,02,88,765	28,02,06,718
Total Profit before Tax after exceptional items	16,55,99,253	15,98,16,640	27,37,83,774
Total Profit after Tax	11,89,52,746	12,67,73,112	20,39,02,032
Total Comprehensive Income	11,71,31,293	12,74,20,540	20,35,47,842

**On Consolidated basis:-**

PARTICULARS	FY 2019-20	FY 2020-21	FY 2021-22
Total Income	54,06,07,75,841	30,42,68,73,723	53,68,74,09,928
Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation)	42,35,19,042	50,65,17,510	66,04,61,760
Profit from Continued Operations before Tax and exceptional items	37,35,52,214	44,22,41,340	54,57,90,790
Total Profit before Tax after exceptional items	36,06,35,098	44,22,41,340	53,93,67,846
Total Profit after Tax	26,67,24,290	33,88,56,890	40,18,08,105
Share of Profit (Loss) of associates and joint ventures	-29,82,884	-43,64,306	-95,393
Total Comprehensive Income	26,14,49,333	33,52,96,499	40,12,46,294

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

The proposed remuneration as set out in the Resolution at item no. 5 of the Notice, is fully justified by the performance of Mr. Rajneesh Bansal as he has demonstrated Leadership skill, tact and initiative in every department of the Company especially Finance, New product lines, IT integration of business model and infra structure development. He has displayed exceptional financial prowess in developing the Forex and Travel verticals of the Company in conjunction with the company's goal & objectives. Further, the performance evaluation of Mr. Rajneesh Bansal has been carried by Nomination and Remuneration Committee of the Board on 28-04-2022 and also by the Board of Directors on 12-05-2022. As such, the proposed remuneration to be paid to Mr. Rajneesh Bansal is fully justified by his performance. The payment of proposed Remuneration to him has been approved by the Board, Nomination and Remuneration Committee of the Board and also by Audit Committee of the Board.

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

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

difficult to be arrived at and for the same reason, any rating methodology is also difficult to be worked out.

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

As per the Nomination and Remuneration Policy of the Company, remuneration payable to the Whole Time Directors is based upon performance and is subject to the provisions of the Companies Act, 2013 and Articles of Association of the Company. The sitting fee payable to the independent directors is decided by the Board based upon the qualification and experience of the individual directors and recommendation of the Nomination and Remuneration Committee. 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, Listing Regulations and Articles of Association of the Company and remuneration to the employees of the Company is based upon other factors as explained in the foregoing discussion and the same is also influenced by competitive factors.

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

As on 31-03-2022, Mr. Rajneesh Bansal held 294253 (28.62%) Equity Shares in the Company. Further he does not hold any Stock Options. Further, he has not pledged any shares as at the end of the preceding financial year i.e. 2021-22.

The information as required under para 1.2.5 of Secretarial Standard -2 is given under **Annexure-N3A** along with information pursuant to Regulation 36 (3) of the Listing Regulations, at the end of this Explanatory Statement. Information required under Section II of Part II of Schedule V to the Companies Act, 2013 is given as **Annexure-N3B**

**ITEM NO. 6**

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), no listed Company can appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment. Smt Sarita Rani Bansal (DIN 00094504),

aged about 75 years (date of birth 08-01-1948) is serving on the Board of Directors of the Company as Non-Executive Non Independent Director of the Company. She will attain the age of 75 years on 08-01-2023 and accordingly her continuation as Non-Executive Non Independent Director with effect from the said date requires approval of Members by way of special resolution. A brief justification for her continuation as Non-Executive Non Independent Director on the Board of the Company with effect from 08-01-2023 is as under:-

Smt. Sarita Rani Bansal is a Non Executive Non Independent Director of the Company and has been associated with the Company since 2012 and had served as a Director on the Board of the Company from year 1992 to 2008 during her previous tenure with the Company. She was re-appointed as a Director of the Company in 2012 and has been serving on the Board of the Company since then. While working with the Company as a Director, she has been lending useful inputs in the area of Human Resource Management and Administration of the Office Affairs of the Company. She keeps fully fit at her age and is leading an active life. Nomination & Remuneration Committee of the Board has also approved and recommended her continuation as a Non Executive Non Independent Director of the Company after attaining 75 years of age. Considering her experience, her fitness and her active participation in the decision making process of the Board, the Board of Directors is of the opinion that Smt. Sarita Rani Bansal is a person of integrity, possesses relevant expertise and her association as Non-Executive Non Independent Director will be beneficial and in the best interest of the Company. Her presence on the Board of the Company adds more value and contributes significantly to the Board in its decision making process.

A brief resume of Smt. Sarita Rani Bansal, the nature of her expertise in specific functional areas, names of Companies in which she has held Directorships, Committee Memberships/ Chairmanships, her shareholding etc., is separately given in **Annexure-N1**, annexed hereto.

The Board of Directors recommend the Resolution set out at Item no. 6 to be passed as Special Resolution by the Members.

Smt. Sarita Rani Bansal should be treated as interested in this resolution. Further Mr. Sat Paul Bansal and Mr. Rajneesh Bansal, Directors of the Company should also be treated as interested in this resolution as immediate relatives of Smt. Sarita Rani Bansal and also as members of the same family. No other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.



As on 31-03-2022, Smt. Sarita Rani Bansal holds 345600 (33.62%) Equity Shares in the Company and does not hold any Stock Options.

Place: Chandigarh  
Date: August 10, 2022

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-N1**

**INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE LISTING REGULATIONS, 2015 AND PARA 1.2.5 OF SECRETARIAL STANDARDS-2 INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED**

<b>Name of Director</b>	Smt. Sarita Rani Bansal (DIN: 00094504)
<b>Date of First (Original) Appointment on the Board:</b>	31.01.2012
<b>Date of Birth, Age</b>	08.01.1948 , 74 Years as on 31.03.2022
<b>Designation</b>	Director (Non Executive Non Independent)
Smt. Sarita Rani Bansal, who is liable to retire by rotation in the ensuing Annual General Meeting and being eligible, has offered herself for reappointment, is proposed to be re-appointed as a Non Executive Non Independent Director of the Company.	
<b>Nature of Expertise in Specific Functional Area and experience:</b>	
Smt. Sarita Rani Bansal is 74 years of age and has been associated with the Company for over 25 years and served as a Director of the Company from year 1992 to 2008 during her previous tenure with the Company. She was re-appointed as a Director of the Company in 2012. While working with the Company as Director, she has been lending useful inputs in the areas of Human Resource Management and Administration of the Office Affairs of the Company.	
<b>Terms and Conditions of Appointment or Re-appointment and Remuneration, if any:</b>	
<b>Term</b>	Smt. Sarita Rani Bansal, who is liable to retire by rotation, is proposed to be re-appointed as a Non Executive Non Independent Director by the Shareholders of the Company in the ensuing Annual General Meeting. No term has been fixed for her and her office is liable to retirement by rotation.
<b>Remuneration last drawn, if applicable</b>	NIL in the FY 2021-22
<b>Remuneration sought to be paid</b>	NIL
<b>Qualification</b>	Graduate in Arts
<b>List of Other Directorships:-</b>	
<ol style="list-style-type: none"> <li>1. Paul Merchants Finance Private Limited (Appointed w.e.f. 01.04.2022)</li> <li>2. Paul Overseas Private Limited</li> <li>3. Paul Excursions Private Limited</li> <li>4. PML Holidays Private Limited</li> <li>5. Paul Instacred Private Limited</li> </ol>	
<b>Names of Listed Entities in which the person also holds the directorship</b>	No Company other than Paul Merchants Limited
<b>Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd</b>	Member, Executive Committee of the Board till 08-06-2021.



<b>Chairmanship/Membership of the Committees of the Board of Directors of other Companies</b>	NIL
<b>Names of listed entities from which the person has resigned in the past three years</b>	Nil.
<b>Membership/Chairmanship of the Committees of listed entities from which the person has resigned in the past three years</b>	Nil
<b>Shareholding in the Company</b>	Holding 345600 (33.62%) Equity shares in her name as on 31.03.2022.
<b>Shareholding in the Company as a Beneficial Owner</b>	NIL
<b>Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-</b>  Smt. Sarita Rani Bansal is wife of Sh. Sat Paul Bansal, a Non Executive Non Independent Director and Chairman of the Company. She is mother of Sh. Rajneesh Bansal, Managing Director. She is not related to any other Director, Manager or other Key Managerial Personnel of the Company.	
<b>No. of Meetings of Board attended during the FY 2021-22</b>	4

**Justification for Appointment and Remuneration:-**

Smt. Sarita Rani Bansal is a Non Executive Non Independent Director of the Company and has been associated with the Company for over 25 years and had served as a Director on the Board of the Company from year 1992 to 2008 during her previous tenure with the Company. She was re-appointed as a Director of the Company in 2012 and has been serving on the Board of the Company since 2012. While working with the Company as Director, she has been lending useful inputs in the area of Human Resource Management and Administration of the Office Affairs of the Company. Therefore, considering her experience, her re-appointment as Non Executive Non Independent Director of the Company is justified. Nomination & Remuneration Committee of the Board has also approved her re-appointment.

**Summary of performance evaluation report :-**

The performance evaluation of Smt. Sarita Rani Bansal had been carried by the Nomination and Remuneration Committee (NRC) as well as by the Board of Directors. Based upon the parameters laid down in the Nomination and Remuneration Policy of the Company like her experience and ability to contribute to the decision making process, problem solving approach, guidance to the Management, attendance and participation in the Meetings, personal competencies, contribution to strategy formulation, monitoring of controls and Corporate Governance, her performance was found to be satisfactory and the Nomination and Remuneration Committee as well as the Board of Directors of the Company were of the opinion that the re-appointment of Smt. Sarita Rani Bansal as Non executive Non Independent Director of the Company shall be in the best interests of the Company.

**Annexure-N2**

**INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE LISTING REGULATIONS, 2015 AND PARA 1.2.5 OF SECRETARIAL STANDARDS-2 INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED**

<b>Name of Director</b>	Sh. Sat Paul Bansal (DIN: 00077499)
<b>Date of First (Original) Appointment on the Board:</b>	27/09/1990
<b>Date of Birth, Age</b>	22-07-1947, About 75 Years as on 31.03.2022
<b>Designation</b>	Non-Executive Director and Chairman of the Board
Mr. Sat Paul Bansal, who is liable to retire by rotation in the ensuing Annual General Meeting and being eligible, has offered himself for reappointment, is proposed to be re-appointed as a Non Executive Non Independent Director and Chairman of the Company.	
<b>Nature of Expertise in Specific Functional Area and experience:-</b>	
Sh. Sat Paul Bansal is the Chairman and Non-Executive Director of the Company. He is about 75 years of age and having educational qualification of Graduation in Arts. Sh. Sat Paul Bansal has around 52 years of experience in almost every facet of business. He is a renowned Businessman and is an expert in the formulation of strategy, corporate Policy, Corporate objectives and decision making process. Earlier, he was associated with the Company from 27-09-1990 till 31-08-2020, when he resigned as Chairman Cum Managing Director of the Company. During his stint as such, he had spearheaded every activity of the Company.	
<b>Terms and Conditions of Appointment or Re-appointment and Remuneration, if any:</b>	
<b>Terms of appointment</b>	Sh. Sat Paul Bansal, who is liable to retire by rotation is proposed to be re-appointed as Non-Executive Non Independent Director and Chairman of the Company by the Shareholders of the Company in the ensuing Annual General Meeting. No term has been fixed for him and his office is liable to retirement by rotation.
<b>Remuneration last drawn, if applicable</b>	Nil remuneration drawn in FY 2021-22
<b>Remuneration sought to be paid</b>	Nil
<b>Qualification</b>	B.A.- Graduate in Arts
<b>List of Other Directorships</b>	
1. Paul Overseas Private Limited 2. Paul Excursions Private Limited	

3. PML Holidays Private Limited 4. PML Realtors Private Limited 5. Paul Merchants Finance Private Limited	
<b>Names of Listed Entities in which the person also holds the directorship</b>	No Company other than Paul Merchants Limited
<b>Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd</b>	Chairman – CSR Committee Chairman – Executive Committee Membership – Stakeholders Relationship Committee
<b>Chairmanship/Membership of the Committees of the Board of Directors of other Companies</b>	Chairman - Risk Management Committee - Paul Merchants Finance Private Limited
<b>Names of listed entities from which the person has resigned in the past three years</b>	Sh. Sat Paul Bansal had resigned from post of Chairman cum Managing Director of Paul Merchants Limited w.e.f. 31.08.2020. However, he was again appointed on the Board of the Company on 08.06.2021.
<b>Membership/Chairmanship of the Committees of listed entities from which the person has resigned in the past three years</b>	Consequent to his resignation from the Board, Sh. Sat Paul Bansal had resigned from Executive Committee of the Company w.e.f. 31.08.2020. After his re-appointment as Non-Executive Chairman w.e.f. 08-06-2021, he was again appointed as Chairman of the Executive Committee w.e.f. 01.07.2022.
<b>Shareholding in the Company</b>	5240 (0.51%) Equity Shares
<b>Shareholding in the Company as a Beneficial Owner</b>	Nil
<b>Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-</b>  Sh. Sat Paul Bansal is husband of Smt. Sarita Rani Bansal Non-Executive Non Independent Director of the Company and father of Sh. Rajneesh Bansal, Managing Director of Paul Merchants Limited. Sh. Sat Paul Bansal 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 2021-22</b>	2

**Justification for Appointment and Remuneration:-**

Sh. Sat Paul Bansal is the Chairman and Non-Executive Director of the Company. He is about 75 years of age and having educational qualification of Graduation in Arts. Sh. Sat Paul Bansal has around 52 years of experience in almost every facet of business. He is a renowned Businessman and is an expert in the formulation of strategy, corporate Policy, Corporate objectives and decision making process. Earlier, he was associated with the Company from 27-09-1990 till 31-08-2020, when he resigned as Chairman Cum Managing Director of the Company. During his stint as such, he had spearheaded every

activity of the Company. Therefore, considering his qualifications and experience, his re-appointment as Non Executive Non Independent Director and Chairman of the Company is justified. Nomination and Remuneration Committee of the Board has also approved his re-appointment.

**Summary of performance evaluation report :-**

The performance evaluation of Sh. Sat Paul Bansal had been carried by the Nomination and Remuneration Committee (NRC) as well as by the Board of Directors. Based upon the parameters laid down in the Nomination and Remuneration Policy of the Company like his Experience and ability to contribute to the decision making process, problem solving approach, guidance to the Management, Attendance and Participation in the Meetings, personal competencies, contribution to strategy formulation, contribution towards statutory compliances, monitoring of controls and Corporate Governance, his performance was found to be satisfactory. As such, NRC as well as the Board of Directors of the Company were of the view that the re-appointment of Sh. Sat Paul Bansal as Non executive Non Independent Director and Chairman of the Company shall be in the best interests of the Company.

**Annexure-N3**

**RAJIV GOEL & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**S.C.O. 823-824, 1<sup>st</sup> Floor, Sector 22A,  
Chandigarh, Phone: 0172-4644607  
Email: rgaca91@gmail.com  
Web: [www.rgaca.org](http://www.rgaca.org)**

**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 payable to Mr. Rajneesh Bansal (DIN 00077230), Managing Director of the Company Paul Merchants Limited w.e.f. 01-04-2022 subject to the approval of Shareholders, for a period of three (3) years with effect from 01-04-2022 along with other additional Terms and Conditions as described below, is fair and at Arm's Length:-

**REMUNERATION:-**

- a. **Salary:-** Within the range of Rs. 100,00,000/- (Rupees One Crore Only) per annum to Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum w.e.f. 01.04.2022.
- b. **Commission:-** Upto 3% of the Net Profits of the Company computed under Section 198 of the Act, earned during any financial year based upon his performance, as decided by the Nomination and Remuneration Committee of the Board.
- c. **Benefits:-** Monthly Rent Free Accommodation (RFA) + annual increase in the notional value of the said RFA is included in the remuneration range given above in (a). In addition, the Water/electricity and Property Tax in the said RFA shall also be borne by the Company on actual basis. There will be no other benefits, bonuses, stock options, pension, emoluments, allowances etc.
- d. **Service Contract period:-** 5 years i.e. from 01-04-2020 till 31-03-2025
- e. **Remuneration period :-** 3 years i.e. from 01-04-2022 till 31-03-2025
- f. **Notice Period:-** Three months.
- g. **Severance Fees:-** No severance fees is payable to him.

**ADDITIONAL TERMS AND CONDITIONS: -**

- a. In the event of absence or inadequacy of profits in any financial year, Sh. Rajneesh Bansal (DIN 00077230) will be paid the Remuneration as specified above, subject to compliance with the applicable provisions of the Act and Schedule V to the Act.

- b. With the payment of Remuneration as above to Sh. Rajneesh Bansal (DIN 00077230), 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 and other applicable provisions of the Companies Act, 2013 in any Financial Year.

**For RAJIV GOEL AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No- 011106N**

**Sd/-  
(CA DHRUV GOEL)  
PARTNER  
M. No.549569  
UDIN: 22549569AOLROY9216**

**Date: 06.08.2022  
Place: Chandigarh**

**Annexure-N3A**

**INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE LISTING REGULATIONS, 2015 AND PARA 1.2.5 OF SECRETARIAL STANDARDS-2 INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED**

<b>Name of Director</b>	Mr. Rajneesh Bansal (DIN: 00077230)
<b>Date of First (Original) Appointment on the Board:</b>	27-02-1999
<b>Date of Birth, Age</b>	27-07-1974, About 48 Years as on 31.03.2022
<b>Designation</b>	Managing Director
It is proposed to approve revision in the remuneration of Mr. Rajneesh Bansal, Managing Director within the range from Rs. 1,00,00,000/- (Rupees One Crore Only) per annum to Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum w.e.f. 01.04.2022 and other terms and conditions, as set out in the Special Resolution at Item no. 5 of the Notice and as explained in the Explanatory Statement to the said item.	
<b>Nature of Expertise in Specific Functional Area and experience:-</b>	
Mr. Rajneesh Bansal has demonstrated Leadership skill, tact and initiative in every department of the Company especially Finance, New product lines, IT integration of business model and infrastructure development as Managing Director of the Company. He has 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 of Appointment or Re-appointment and Remuneration, if any:</b>	
<b>Terms of appointment</b>	His appointment as Managing Director of the Company is for a term from 01-04-2020 till 31-03-2025, as approved by the Shareholders in their AGM held on 29-09-2020. His revised remuneration is proposed to be approved from 01-04-2022 till 31-03-2025. His office is not liable to retirement by rotation.
<b>Remuneration last drawn, if applicable</b>	His remuneration during FY 2021-22 was as follows: a. Rs. 12,00,000/- (Rupees Twelve Lakhs Only) per month and a Rent Free Accommodation (RFA) valued at Rs. 34,56,742/- which includes water and electricity charges in the said RFA on actual use basis.



	<p>b. Rs. 85,00,000/- as Commission for the FY 2021-22.</p> <p>Total Annual Remuneration paid to him for the FY 2021-22 is Rs. 2,63,56,742/-.</p>
<b>Remuneration sought to be paid</b>	<p>a. <b>Salary:-</b> Within the range of Rs. 1,00,00,000/- (Rupees One Crore Only) per annum to Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum w.e.f. 01.04.2022.</p> <p>b. <b>Commission:-</b> upto 3% of the Net Profits of the Company computed under Section 198 of the Act, earned during any financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board.</p> <p>c. Other terms and conditions as set out in the Special Resolution at Item no. 5 of the Notice and as explained in the Explanatory Statement to the said item</p>
<b>Qualification</b>	MBA from Victoria University of Technology, Melbourne, Australia.
<b>List of Other Directorships</b>	
<ol style="list-style-type: none"> <li>1. Paul Merchants Finance Private Limited</li> <li>2. Paul Overseas Private Limited</li> <li>3. Paul Excursions Private Limited</li> <li>4. PML Holidays Private Limited</li> <li>5. PML Realtors Private Limited</li> <li>6. Paul Fincare Private Limited</li> <li>7. All India Association of Authorized Money Changers and Money Transfer Agents</li> </ol>	
<b>Names of Listed Entities in which the person also holds the directorship</b>	No Company other than Paul Merchants Limited
<b>Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd</b>	<ol style="list-style-type: none"> <li>1. Member of Executive Committee</li> <li>2. Member of Stakeholders Relationship Committee</li> <li>3. Member of CSR Committee</li> </ol>

<b>Chairmanship/Membership of the Committees of the Board of Directors of other Companies</b>	<ol style="list-style-type: none"> <li>1. Member of Audit Committee of PML Realtors Private Limited</li> <li>2. Member of Nomination &amp; Remuneration Committee of PML Realtors Private Limited</li> <li>3. Member of Audit Committee of Paul Merchants Finance Private Limited</li> <li>4. Member of Nomination &amp; Remuneration Committee of Paul Merchants Finance Private Limited</li> <li>5. Chairman of CSR Committee of Paul Merchants Finance Private Limited</li> </ol>
<b>Names of listed entities from which the person has resigned in the past three years</b>	Nil
<b>Membership/Chairmanship of the Committees of listed entities from which the person has resigned in the past three years</b>	Nil
<b>Shareholding in the Company</b>	294253 (28.62%) Equity Shares
<b>Shareholding in the Company as a Beneficial Owner</b>	Nil
<b>Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-</b>  <p>Mr. Rajneesh Bansal is son of Mr. Sat Paul Bansal, who is Non Executive Non independent Director and Chairman of the Company &amp; Mrs. Sarita Rani Bansal, Non Executive Non independent Director of the Company. He is not related to any other Director, Manager or Key Managerial Personnel of the Company.</p>	
<b>No. of Meetings of Board attended during the FY 2021-22</b>	4
<b>Justification for Appointment and Remuneration:-</b>  <p>Mr. Rajneesh Bansal has demonstrated Leadership skill, tact and initiative in every department of the Company especially Finance, New product lines, IT integration of business model and infrastructure development as Managing Director of the Company. He has displayed exceptional financial prowess in developing the Forex and Travel verticals of the Company in conjunction with the Company's goals &amp; objectives. Therefore, considering his experience and contribution towards the Company, revision in his Remuneration as set out in the Special Resolution at Item no. 5 of the Notice and as explained in the Explanatory Statement to the said item is justified. Nomination &amp; Remuneration Committee of the Board has also approved revision in his remuneration.</p>	

**Summary of performance evaluation report :-**

The performance evaluation of Mr. Rajneesh Bansal had been carried by the Nomination and Remuneration Committee (NRC) as well as by the Board of Directors. Based upon the parameters laid down in the Nomination and Remuneration Policy of the Company like his experience and ability to contribute to the decision making process, problem solving approach, guidance to the Management, attendance and participation in the Meetings, personal competencies, contribution to strategy formulation, monitoring of controls and Corporate Governance, his performance was found to be satisfactory and the Nomination and Remuneration Committee as well as the Board of Directors of the Company were of the opinion that the revision in his Remuneration is justified.

Place: Chandigarh  
Date: August 10, 2022

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

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

### **Annexure-N3B**

The detailed information as per Section II of Part– 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, Tours & Travels and International Money Transfer.			
(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 23 <sup>rd</sup> 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 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
	Total Income	53,71,17,02,593	29,83,62,46,925	53,00,23,66,294
	Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation)	20,80,08,609	21,32,27,088	30,01,93,629
	Profit from Continued Operations before Tax and exceptional items	17,85,16,369	19,02,88,765	28,02,06,718
	Total Profit before Tax after exceptional items	16,55,99,253	15,98,16,640	27,37,83,774
	Total Profit after Tax	11,89,52,746	12,67,73,112	20,39,02,032
	Total Comprehensive Income	11,71,31,293	12,74,20,540	20,35,47,842
	<b>CONSOLIDATED BASIS:-</b>			
	<b>PARTICULARS</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
	Total Income	54,06,07,75,841	30,42,68,73,723	53,68,74,09,928
	Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation)	42,35,19,042	50,65,17,510	66,04,61,760
	Profit from Continued Operations before Tax and exceptional items	37,35,52,214	44,22,41,340	54,57,90,790
	Total Profit before Tax after exceptional items	36,06,35,098	44,22,41,340	53,93,67,846
	Total Profit after Tax	26,67,24,290	33,88,56,890	40,18,08,105
	Share of Profit (Loss) of associates and joint ventures	-29,82,884	-43,64,306	-95,393

	Total Comprehensive Income	26,14,49,333	33,52,96,499	40,12,46,294
(5) Foreign investments or collaborations, if any.	The share capital of the Company is entirely held by domestic Indian Bodies Corporate and Individuals, barring a fractional shareholding (0.36%) by NRI shareholders. Further, the Company has a Joint venture in Malaysia having 19.424% (Previous Year 19.424%) Equity stake in the said Joint Venture Company known as M/s Horizon Remit SDN BHD (formerly known as M/s Prabhu Remit SDN BHD). Delphi World Money Limited (Formerly known as EbixCash World Money India Limited and earlier as Weizmann Forex Ltd. (CIN L65990MH1985PLC037697), Transcorp Enterprises Limited (CIN U65922RJ1995PLC010050) and Western Union Processing Limited, an Irish Limited Liability Company are the other partners in the said Joint Venture Company.			
<b>II. Information about the appointee:</b>				
(1) Background details	Mr. Rajneesh Bansal is about 48 years of age and he is MBA from Victoria University of Technology, Melbourne, Australia. He has over 23 years of diverse experience and has demonstrated his leadership skills, tact and initiative in conjunction with the company's goals & objectives. As a Managing Director, he lends strategic inputs in every Department of the Company. As such, Board is of the opinion that he is providing useful value addition to the decision making process of the Board and under his leadership, Direction and guidance the Company will reach new heights of success in future.			
(2) Past remuneration	His remuneration during FY 2021-22 was as follows:- a. Rs. 12,00,000/- (Rupees Twelve Lakhs Only) per month and a Rent Free Accommodation (RFA) valued at Rs. 34,56,742/- which includes water and electricity charges in the said RFA on actual use basis. b. Commission @ 3% of the Net Profits is payable after the end of the Financial Year as decided by the Nomination & Remuneration Committee. Accordingly, a sum of Rs. 85,00,000/- has been paid to him on this account as decided by the Nomination & Remuneration Committee for the FY 2021-22. Total Annual Remuneration paid to him for the FY 2021-22 is Rs. 2,63,56,742/-.			
(3) Recognition or awards	Nil			
(4) Job profile and his suitability	<p>Mr. Rajneesh Bansal is associated with the Company since 1999. He is currently handling the position of Managing Director. As Managing Director of the Company, he supervises every Department of the Company.</p> <p>Mr. Rajneesh Bansal has over 23 years of diverse experience in the Company and has demonstrated his leadership skills, tact and initiative in conjunction with the company's goals &amp; objectives. Keeping in view his excellent performance, the Board considers him as best suitable candidate for the position of Managing Director and has recommended the revision in his Remuneration, which is justified by his performance.</p> <p>Keeping in view his excellent performance and contribution towards every sphere of the business of the Company and his valuable experience and on the recommendation of Nomination and Remuneration Committee and on the recommendation of Audit Committee, the Board of Directors of the Company had approved revision in his remuneration w.e.f. 01-04-2022 for a term till 31-03-2025 as specified in Special Resolution set out at item No. 5 of the Notice of the AGM.</p> <p>The Board of Directors are of unanimous view that under his leadership, Direction and guidance, the Company will achieve new heights.</p>			
(5) Remuneration proposed	The Remuneration proposed to be paid to Mr. Rajneesh Bansal is as per the details set out in the Special Resolution at Item No. 5 of the Notice.			
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the	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			

position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	responsibilities shouldered by Mr. Rajneesh Bansal, the Board believes that the revised remuneration as Managing Director is appropriate and commensurate with the industry standards.  Further the revised remuneration 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.	Mr. Rajneesh Bansal's pecuniary relationship with the Company during the FY 2021-22 is detailed in <b>Annexure-N3B(a)</b> to this report. He holds 294253 (28.62%) Equity shares in his name in the Share Capital of the Company as on 31.03.2022  Mr. Rajneesh Bansal is son of Mr. Sat Paul Bansal and Mrs. Sarita Rani Bansal, Directors of the Company. He is not related to any other Director, Manager or other 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 paying Managerial Remuneration due to the fact that the Indian Economy as well as Global Economy is still grappling with the after effects of Covid 19 and International Tourism has still not returned to full normalcy, which is a crucial requirement for Forex and Travel Verticals of the Company. Against this scenario, the Company may see a pressure on profits
(2) Steps taken or proposed to be taken for improvement	a. The Company has already started focusing on increasing the revenue from Domestic Travel segment b. Bandwidth of the Company and the branch offices has been increased to enhance their coverage and outreach c. New Tie Ups with Banks for import of Foreign Currency have been executed d. Rationalization of unproductive expense heads is already underway e. New products in Travel Division have been introduced to increase sales
(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 introduction of new products, new Tie ups, it is hoped to increase the profitability in the FY 2022-23 to 110% levels and thereafter to grow its profitability in the vicinity of 10-15% every year.
<b>IV. Disclosures:</b>	The disclosures as prescribed in this section have been duly given in the Corporate Governance Report annexed as <b>Annexure D-9</b> , forming part of this report

#### **Annexure-N3B(a)**

<b>1. Nature of contracts/arrangements/ transactions</b>	Rent Agreement in respect of Shop No. 3, 4A,4B & 4C, Lower Ground Floor, Alfa Estate Building, G.T. Road, Jalandhar, owned by Mr. Rajneesh Bansal	
<b>Duration of the contracts/ arrangements/ transactions</b>	From 01/04/2019 to 31/03/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	Rate of Rent	Rs. 46,274/- per month from 01.04.2021 to 31.03.2022 (GST extra)
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
<b>Amount paid as advances, if any:</b>	Rent is paid in advance on monthly basis.	
<b>2. Nature of contracts/ arrangements/ transactions</b>	Rent Agreement in respect of Shop No. 1A, Ground Floor, Mcleodganj, Dharamshala, owned by Mr. Rajneesh Bansal	

<b>Duration of the contracts/arrangements/transactions</b>	From 01/04/2020 to 31/03/2023	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	Rate of Rent	Rs. 85,692/- per month from 01.04.2021 to 31.03.2022 (GST extra)
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
<b>Amount paid as advances, if any:</b>	Rent is paid in advance on monthly basis.	
<b>3. Nature of contracts/arrangements/ transactions</b>	Salary, Commission and notional value of Rent Free Accommodation	
<b>Duration of the contracts/arrangements/ transactions</b>	a. Service Contract period:- 5 years i.e. from 01-04-2020 till 31-03-2025 b. Remuneration period :- 3 years i.e. from 01-04-2020 till 31-03-2023	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	i. Salary is payable per month and Rent Free accommodation is valued on notional rent basis and Electricity and water expenses paid therein are taken on actual paid basis ii. Commission @ 3% of the Net Profits is payable at the end of the FY on recommendation of the Nomination & Remuneration Committee iii. Rent free accommodation has been valued at Rs. 34,56,742/- during the FY 2021-22, which includes Water and Electricity charges on actual use basis.  Total Annual Remuneration paid during the FY 2021-22 is Rs. 263,56,742/- including Commission.	
4. Further, Travel products were sold to him worth Rs. 4405/- during the year under review, which was not in the nature of any contract or arrangement and the transaction was in the ordinary course of business of the Company on market rates.		

Place: Chandigarh  
Date: August 10, 2022

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

**HARDAM SINGH**  
**(COMPANY SECRETARY)**  
**FCS-5046**

12-D, Angel Apartments,  
Zirakpur (Pb)-140603



## **DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting before you their 38<sup>th</sup> Annual Report together with the Audited Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March, 2022.

### **FINANCIAL SUMMARY/HIGHLIGHTS**

The financial summary of the Company for the year under review, based on the standalone financial statements of the company, is given below for your consideration:-

<b>PARTICULARS</b>	<b>2021-22 (Amount in Rs Lakhs)</b>	<b>2020-21 (Amount in Rs Lakhs)</b>
Gross Income	530,023.66	298,362.47
Profit Before Interest and Depreciation	3,001.94	2,132.27
Interest	15.16	6.61
Profit after Interest before Depreciation	2,986.78	2,125.66
Provision for Depreciation	184.71	222.77
Exceptional Items	64.23	304.72
Net Profit Before Tax	2,737.84	1,598.17
Provision for Tax	665.14	320.27
Deferred Tax	33.68	10.17
Net Profit After Tax	2,039.02	1,267.73
Other Comprehensive Income/(Loss) (net of tax)	(3.54)	6.47
Total Comprehensive Income (net of tax) (Transferred to Reserves and Surplus)	2,035.48	1,274.21
Balance of Surplus brought forward	40,265.45	38,991.24
Reserves and Surplus	42351.33	40315.85
Proposed Dividend on Equity Shares	Nil	Nil

For further details, kindly refer to the Financial Statements and Management Discussion & Analysis Report annexed as **Annexure D-3**, which forms part of this report.

**STATE OF COMPANY'S AFFAIRS/ BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/HIGHLIGHTS/OPERATIONS IN TERMS OF SECTION 134 (3)(i) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(5)(I) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

The Company operates principally in three business verticals Foreign Exchange, Tours & Travels and International Money Transfer. During the year under review, Gross revenue from Foreign Exchange Services stood at Rs. 5266.26 Crores, Service Charges on Foreign Exchange Services stood at Rs. 4.81 crores. In Tours & Travel Segment, Turnover from Hotel Bookings & Packages stood at Rs. 61.61 Lakhs and Revenue from other activities in the said segment stood at Rs. 118.10 Lakhs. Gross revenue from International Money Transfer stood at Rs. 37.72 Lakhs. Other operating revenues stood at Rs 7.50 Crores. The Profit before tax stood at Rs. 27.38 Crores and Profit after tax stood at Rs. 20.39 crores after adjusting for deferred Tax. For further details, kindly refer to the Financial Statements, Management Discussion & Analysis Report annexed as **Annexure D-3**.

### **COVID-19**

The COVID-19 pandemic, continued to be a global challenge, creating disruption across the world. In the first three months of FY 2022, the second wave of the pandemic created huge pressure on India's medical infrastructure and affected the individuals as well as businesses alike. The Company has been exercising all covid protocols across its branch offices and has encouraged its work force and customers to get vaccination and to adhere to the covid appropriate behavior.

### **ANNUAL RETURN**

In terms of Section 134 (3)(a) of the Companies Act, 2013 (hereinafter to be referred to as Act) the Annual Return as referred to in sub section (3) of Section 92 is available on the weblink <https://www.paulmerchants.net/paulmerchants/annual-return/>

### **NUMBER OF MEETINGS OF BOARD**

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

During the Financial year 2021-22, 4 (Four) Board Meetings were held and 1 (One) Independent Directors meeting was held on 11-02-2022. The dates on which the Board Meetings were held are 08-06-2021, 12-08-2021, 11-11-2021 and 10-02-2022. 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, which is annexed as **Annexure D-9**, forming part of this Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT:-**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **FRAUDS REPORTED BY AUDITORS**

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

### **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

It is hereby stated in terms of Section 134 (3)(d) of the Act, that all Independent Directors of the Company have given declarations that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 read over with Regulation 16(1)(b) and 25(8) of Listing Regulations. They have also given a declaration that their respective names have already been included in the data bank maintained by the Indian Institute of Corporate Affairs at Manesar and as such they are in compliance of sub-rule (1) and sub-rule (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

### **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-1** as Nomination and Remuneration Policy, which forms part of this report.

**EXPLANATIONS OR COMMENTS BY THE BOARD IN TERMS OF SECTION 134(3)(f) ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:-**

**(i) by the Auditor in his report:-**

M/s RAJIV GOEL & ASSOCIATES (Firm Regn. No. 011106N), Chartered Accountants, Chandigarh, were appointed as Statutory Auditors of the Company at the 36<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2020 for a term of five consecutive years. 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 2021-22.

**(ii) by the Company Secretary in practice in his Secretarial Audit Report:-**

Mr. Anil Negi, a Company Secretary in practice having CP no. 17213 and Membership no. 46547 was appointed by the Board of Directors as Secretarial Auditor of the Company for the financial year under review pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR-3 is annexed as **Annexure D-2** and forms part of this report.

There are no qualifications, reservations, adverse remarks or disclaimer by the Secretarial Auditor in the Report issued by him for the financial year 2021-22 which call for any explanation from the Board of Directors.

Further, there is one material unlisted subsidiary of the Company M/s Paul Merchants Finance (Pvt) Limited during the Financial Year under review. As such, Secretarial Audit Report of the said material unlisted subsidiary has also been annexed to this Report as **Annexure D-2A** as required under Regulation 24A of Listing Regulations. There are no qualifications, reservations, adverse remarks or disclaimer by the Secretarial Auditor in the Report issued by him for the financial year 2021-22 which call for any explanation from the Board of Directors.

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

Pursuant to Section 134(3)(g) of the Act, particulars of Loans, Guarantees, Securities and Investments under Section 186 of the Act made during the Financial Year 2021-22 are attached as **Annexure D-4** which forms part of this report. Further reference in this regard can be made to Note 2, 6, 9, 10, 37, 38 and 41 to the Financial Statements for further details.

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

With reference to Section 134(3)(h) of the Act read over with Rule 8(2) of the Companies (Accounts) Rules, 2014, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year were on an arm's length basis and in the ordinary course of business. In the opinion of the Board, these transactions were justified to be executed because all the transactions had been entered into in the ordinary course of business of the Company in the furtherance of the business objectives. 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. All the said transactions do not attract the provisions of Section 188 of the Companies Act, 2013 and as such, though not required under the said Section, the details of these transactions are given in Form AOC-2 on voluntary basis, annexed as **Annexure D-5**, which forms part of this report. Pursuant to Regulation 23(9) of the Listing Regulations, your Company has also filed the reports on related party transactions with the Stock Exchange.

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. 41 of the Financial Statements for further details, forming part of this Annual Report.

Details of transaction(s) of your Company with entity(ies) belonging to the promoter/promoter group which hold(s) more than 10% shareholding in the Company as required under para A of Schedule V of the Listing Regulations are NIL, as there is no such entity. Further, the details of transactions with persons belonging to the promoter/promoter group who hold(s) more than 10% shareholding in the Company, have been included in form AOC-2, annexed as **Annexure D-5** to this Report.

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 <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/04/Related-Party-Transaction-Policy.pdf>

**RESERVES:-**

Entire amount of Net Profit of Rs. 20,39,02,032/- and Other Comprehensive loss of Rs. 3,54,190/- for the year has been transferred to the Reserves under the head "Other

Equity” in the Balance Sheet. No amount has been transferred or proposed to be transferred to any other reserves.

**DIVIDEND:-**

Your Directors have decided to reinvest the earnings in the growth of business and for this reason, have decided to not to recommend any amount for declaration of Dividend for the year under review. Hence, information required in terms of Section 134(3)(k) of the Act is Nil. The provisions regarding formulation of Dividend Distribution Policy were not applicable to the company during the FY 2021-22.

**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 2021-22, to which the Financial Statements relate and date of this Report. Hence, information as required in terms of Section 134(3)(l) of the Act is Nil.

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

The requisite information in terms of Section 134(3)(m) of the Act read over with Rule 8(3) of Companies (Accounts) Rules, 2014 has been given as per **Annexure D-6**, annexed to this Report.

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

The Company has in place a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company and also the comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically as per the Risk Management Policy of the Company, framed in terms of the Companies Act, 2013 and Regulation 17(9)(b) of the Listing Regulations. The Board oversees the preparation of Risk Management Policy, reviews and monitors the same on regular basis and ensures to identify and review critical risks on regular basis, to update the Risk management policy on regular basis, to review key changes in critical risks and to issue instructions on the same to the Management on an ongoing basis and such other functions as it deems fit. The Company has formulated Risk Management Policy which provides an overview of the principles of risk management, explains the approach adopted by the Company for risk management, defines the organizational structure for effective risk management, develops a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions, identify, assess, manage and



mitigate existing and new risks including the elements of risk that may threaten the existence of the Company, in a planned and co-ordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets. The risks faced by the Company and their minimization procedures are assessed categorically under the broad heads of High, Medium and Low risks. Further, the Company identifies risks and control systems are instituted to ensure that the risks in each business process are minimized/mitigated. The Board provides oversight and reviews the Risk Management Policy periodically.

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

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 available on the website of the Company <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/CSR-Policy.pdf>. Further, in terms of Section 135 of the Companies Act, 2013, the Company has a duly constituted CSR Committee of the Board and the said Committee had following composition as on March 31, 2022:-

1	Sh. Sat Paul Bansal	Non Executive Non Independent Director, Chairman
2	Sh. Rajneesh Bansal	Managing Director, Member
3	Sh. Vigyan Prakash Arora	Non Executive Independent Director, Member
4	Sh. Hardam Singh	Company Secretary, Secretary to the Committee

Other details of the CSR Committee and CSR Policy is furnished in the Report on Corporate Governance, which is annexed as **Annexure D-9** to this report. The Annual Report on CSR activities undertaken by the Company during the year under review is furnished in **Annexure D-7**, which forms part of this report.

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

Pursuant to the applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has put in place a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of Directors 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 as per Chart given in the Nomination and Remuneration Policy and contribution to strategy formulation
  - (v) Contribution towards statutory compliances, monitoring of controls and Corporate Governance
  - (vi) The evaluation of independent directors shall be done by the entire board of directors which shall include:-
    - (a) Performance of the directors; and
    - (b) fulfillment of the independence criteria as specified in the Companies Act, 2013 and Listing Regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate

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

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 12-05-2022 in terms of the provisions of Section 134 (3) (p) of the Companies Act, 2013 read over with Rule 8(4) of Companies (Accounts) Rules, 2014 and also in terms of Regulation 17(10) of the Listing Regulations as per above criteria and the Board expresses its satisfaction over the performance of the Board of the Company, its Committees and Individual Directors, including Independent Directors. 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 11-02-2022 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance, performance of the entire Board of the Company as a whole and all its Committees in its meeting held on 28-04-2022.

The Directors express their satisfaction over the evaluation process.

**HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES/ASSOCIATES/JOINT VENTURES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY DURING THE FINANCIAL YEAR UNDER REVIEW**

The information in terms of Rule 8 (1) of Companies (Accounts) Rules is given below:-  
The Company has two Wholly Owned Subsidiaries namely:-

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

The Company has one Joint Venture (JV) 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. Delphi World Money Limited (Formerly known as EbixCash World Money India Limited and earlier as Weizmann Forex Ltd. (CIN L65990MH1985PLC037697) holding 19.424% equity stake, Transcorp Enterprises Limited (CIN U65922RJ1995PLC010050) holding 20% equity stake and Western Union Processing Limited, an Irish Limited Liability Company holding 40% equity stake are the other partners in the said Joint Venture Company. The Company along with other shareholders except Delphi World Money

Limited has executed a Share Purchase Agreement with Al Jadeed Investment International, Muscat, Sultanate of Oman for sale its stake in the said JV Company and the said deal is subject to approval from Bank Negara, Malaysia and Reserve Bank of India. While the approval of the Bank Negara, Malaysia has already been received, approval of RBI is pending, though applied for.

During the FY 2021-22, the Subsidiary Company Paul Merchants Finance (P) Ltd. achieved gross revenue of Rs. 84,78,42,554.08 as against previous year figures of Rs. 62,90,80,125.49, registering a growth of 34.77% over previous year. Further, the said Subsidiary Company achieved a Net profit after Tax of Rs. 20,97,64,397.50/- as against the previous year figures of Rs. 19,78,22,103 /-.

During the FY 2021-22, the Subsidiary Company PML Realtors (P) Ltd., achieved gross revenue of Rs. 60,85,163.42/- as against previous year gross revenue of Rs 11,26,84,853.07/- . Further, the said Subsidiary Company achieved Net Profit after Tax of Rs. 20,99,412.23 as against previous year figures of Rs. 86,03,293.48/- registering a de-growth of 75.60% over previous year.

During the FY 2021-22, the Joint Venture (JV) Company M/s Horizon Remit Sdn. Bhd. Malaysia achieved gross revenue of RM 1.08 Lakhs as against previous year gross revenue of RM 12.44 Lakhs. Further, the JV incurred loss of RM 20.38 Lakhs. The corresponding Loss during the previous year was RM 22.48 Lakhs. The financial year of the JV Company ends on 31-12-2021 and accordingly, these figures have been arrived at on the basis of unaudited financial information for the quarter ending March, 2022 and unaudited Financial Statements for the period ended December, 2021.

During the FY 2021-22, the Joint Venture (JV) LLP M/s Paul Innovations LLP achieved gross revenue of Rs. NIL. Further, the said JV incurred net loss of Rs.282,646.96/- as against previous year's figure of Rs. 5381/-.

During the FY 2021-22 up to 30.12.2021, the Joint Venture (JV) LLP M/s Paul Tech Park LLP (earlier known as Paul & Singla Realtors LLP) achieved gross revenue of Rs. 427,725/- as against previous year gross revenue of Rs. NIL, on account of writing back of unsecured loans in the wake of strike off of this LLP. Accordingly, the said JV achieved net profit of Rs.138183/- as against previous year loss of Rs. 139183/-. The name of the said LLP has already been struck off in the records of the Registrar of Companies pursuant to the resolution passed by it on 30.12.2021 for striking off its name from the Register of LLPs.

On a consolidated basis, the revenue from operations for FY 2021-22 was Rs. 5365.03 crore registering growth by 76.77 % over the previous year's revenue of Rs. 3,035.08 crore. The consolidated profit after tax (PAT) attributable to shareholders and non-controlling interests for FY 2021-22 was Rs. 40.17 Crore as against the previous year

figures of Rs. 33.45 Crore, registering a growth of 20.09%. The contribution by each Subsidiary/JV to the overall performance of the company during the period under report is detailed below:-

Name of the Company	Share in profit or loss for the year ending 31st March 2022		Share in profit or loss for the year ending 31st March 2021	
	as %age of consolidated profit or loss	Amount (Rs in Lakhs)	as %age of consolidated profit or loss	Amount (Rs in Lakhs)
<b>Paul Merchants Limited</b>	<b>49.05%</b>	<b>2039.02</b>	<b>38.55%</b>	<b>1,267.73</b>
<b>Subsidiary Companies:</b>				-
Paul Merchants Finance Private Limited	50.46%	2097.64	60.16%	1,978.22
PML Realtors Private Limited	0.51%	20.99	2.62%	86.03
<b>Joint Venture (Investment as per Equity Method):</b>				
M/s Horizon Remit BHD. SDN. , Malaysia		0	-1.31%	-43.16
Paul Tech Park LLP	0.01%	0.46	-0.01%	-0.46
Paul Innovations LLP	-0.03%	-1.41	-	-0.03
<b>TOTAL</b>		<b>4156.70</b>		<b>3,288.34</b>
Adjustments arising out of consolidation		-139.58		56.58
<b>TOTAL</b>		<b>4017.13</b>		<b>3,344.93</b>

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-12.**

### **CHANGE IN THE NATURE OF COMPANY'S BUSINESS**

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

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

**DIRECTORS**

Smt Sarita Rani Bansal (DIN 00094504), who was liable to retire by rotation, was re-appointed as Director by the Shareholders in their Annual General Meeting held on 29-09-2021.

Sh Sandeep Bansal (DIN 00094391), who was liable to retire by rotation, was re-appointed as Director by the Shareholders in their Annual General Meeting held on 29-09-2021. He resigned from his post on 18-10-2021 with immediate effect.

Mr. Inder Sain Negi (DIN 08947230) was appointed as an Independent Director in the Annual General Meeting held on 29-09-2021, to hold office for a term commencing from 12-11-2020 and ending on 31-10-2025.

Mr. Jeewan Lal Negi (DIN 09166359) was appointed as an Additional Director by the Board of Directors of the Company on 08-06-2021 and was appointed as an Independent Director in the Annual General Meeting held on 29-09-2021, to hold office for a term commencing from 08-06-2021 and ending on 31-03-2026.

Mr. Sat Paul Bansal (DIN: 00077499) was appointed as a Non-Executive Non Independent Director and Chairman of the Board by the Board of Directors of the Company on 08-06-2021 and was appointed as such in the Annual General Meeting held on 29-09-2021.

Mr. Ritesh Vaid (DIN 09433856) was appointed as an Additional Director in the capacity of a Designated Whole Time Director of the Company by the Board of Directors of the Company on 10-02-2022 and was appointed as such by the Shareholders by passing a Special Resolution by way of Postal Ballot by remote voting on 29-03-2022.

Further, in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Smt Sarita Rani Bansal (DIN 00094504) and Sh. Sat Paul Bansal (DIN 00077499), Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Further details as to the Directors proposed to be appointed/Remuneration of Directors to be revised and continuation of directorship on attaining the age of 75 years in the ensuing Annual General Meeting of the Company are given in the Explanatory Statement to the item no. 5 and 6 of the Notice.

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 Listing Regulations and per Secretarial Standards-2 form part of the Notice of Annual General Meeting.

### **KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 as on 31.03.2022 are as follows:-

Sh. Rajneesh Bansal	Managing Director
Sh. Rajesh Garg	Chief Financial Officer
Sh. Hardam Singh	Company Secretary

During the year under review, Smt. Bhupinder Kaur had resigned from the position of Chief Financial Officer and Key Managerial Personnel (KMP) of the Company on 10.01.2022 due to personal reasons and as per her request, she had been relieved on 08-02-2022. In her place, Sh. Rajesh Garg had been appointed by the Board of Directors of the Company as Chief Financial Officer and Key Managerial Personnel (KMP) of the Company w.e.f. 10-02-2022.

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

### **A STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR, IN TERMS OF RULE 8(5)(iia) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

Mr. Jeewan Lal Negi (DIN 09166359) was appointed as an Additional Director in the capacity of a Non Executive Independent Director of the Company by the Board of Directors of the Company w.e.f. 08-06-2021. The Board do hereby state that in the opinion of the Board, the said Independent Director hold integrity, expertise and experience in terms of Rule 8(5)(iia) of the Companies (Accounts) Rules, 2014. Further, as declared by the said Independent Director and as per the Certificate produced by him, issued by Indian Institute of Corporate Affairs (IICA), he is exempt from undergoing the online proficiency self-assessment test conducted by the Institute notified under sub-section (1) of Section 150 of the Companies Act, 2013, based upon his past experience as provided in Rule 6(4)(A) of the Companies (Appointment and Qualification of Directors) Amendment Rules, 2020.

Further, Mr. Inder Sain Negi (DIN 08947230) was appointed as an Independent Director in the Annual General Meeting held on 29-09-2021. The Board do hereby state that in the



opinion of the Board, the said Independent Director hold integrity, expertise and experience in terms of Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014. Further, as declared by the said Independent Director and as per the Certificate produced by him, issued by Indian Institute of Corporate Affairs (IICA), he is exempt from undergoing the online proficiency self-assessment test conducted by the Institute notified under sub-section (1) of Section 150 of the Companies Act, 2013, based upon his past experience as provided in Rule 6(4)(A) of the Companies (Appointment and Qualification of Directors) Amendment Rules, 2020

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

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

No Company has become or ceased to be Company's Subsidiary or Associate during the year under review. The Company has following two Subsidiaries:-

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

The Company has no Associate Company but is having a Joint Venture Company in the name of M/s Horizon Remit Sdn. Bhd., Malaysia and M/s Paul Innovations LLP, which is considered to be a Joint Venture in terms of Ind AS 110.

During the year under review, the Company was a partner in the LLP named Paul Tech Park LLP, which has filed its application with ROC for striking off its name on 28-01-2022 and has been struck off by the Registrar of Companies.

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

**DEPOSITS**

The Company has neither accepted nor renewed any deposits during the Financial Year under review in terms of Chapter V of the Companies Act, 2013. As such information in this regard and about deposits which are not in compliance with the requirements of Chapter V of the Act, is nil. This information is in terms of Rule 8 (5) (v) and Rule 8 (5) (vi) of Companies (Accounts) Rules, 2014.



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

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

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

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

The Company has a well placed, proper and adequate internal financial control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the internal Audit function is well defined in the Organization. The internal financial control system ensures that all assets are safeguarded and protected, that the transactions are authorised, recorded and reported correctly, that the business of the Company is conducted in an orderly and efficient manner, that frauds and errors are prevented and detected, that the accuracy and completeness of the accounting records is established and that reliable financial information is prepared in a timely manner. The Company's internal financial control system also comprises due compliances with Company's policies and Standard Operating Procedures (SOPs) and compliance with SEBI (Prevention of Insider Trading) Regulations. The compliance is ensured by in-house Internal Audit Division, supplemented by Concurrent and Statutory Audit. The Internal Auditors independently evaluate the adequacy of internal controls and regularly audit the transactions. Independence of the audit and compliance is ensured by regular supervision by 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 11-05-2022 and by the Board of Directors of the Company on 12-

05-2022 and have satisfied themselves that the Internal Financial Control systems in place in the Company are adequate.

#### **DISCLOSURE AS TO COST AUDIT AND COST RECORDS**

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

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

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

#### **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

There are no applications or proceedings under Insolvency and Bankruptcy Code, 2016 in relation to the Company and therefore, information as required under Rule 8(5)(xi) of the Companies (Accounts) Rules, 2014 for the year under review is Nil.

#### **DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

There was no one time settlement with any Bank or Financial Institution by the Company during the year under review and as such, information required under Rule 8(5)(xii) of the Companies (Accounts) Rules, 2014 is Nil.

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

The Annual Report of the Company contains a Declaration by the Managing Director in terms of Para D of Schedule V to the Listing Regulations 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, 2022. This Declaration has been given as **Annexure D-8** to this Report.

## **REVIEW OF LEGAL COMPLIANCE REPORTS**

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

## **MAXIMUM TENURE OF INDEPENDENT DIRECTORS**

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

## **SHARE CAPITAL**

### **a. ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS**

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

### **b. ISSUE OF SWEAT EQUITY SHARE**

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

The Authorized Equity Share Capital of the Company as on 31<sup>st</sup> March, 2022 was Rs. 2,00,00,000/- (Rupees Two Crores Only) and paid up Equity share capital was Rs. 1,02,80,000/- (Rupees One Crore Two Lakhs Eighty Thousand Only).

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

## **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS**

On 24-06-2022, a fire incident had occurred at the Registered office premises of the Company known as DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi -110015, in which some of the Statutory Records/Minutes, Registers of the Company had got burnt. The fire had been doused by the Employees of the Company using Fire Extinguishers installed in the said office and Fire Brigade Service had also been called in. No loss of other infrastructure in the office or personal injury had

occurred. An Intimation in this regard had been filed with the Stock Exchange on the same day under Regulation 30 of the Listing Regulations.

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

### **CORPORATE GOVERNANCE**

Your Company is committed to maintain the highest standards of Corporate Governance and is in compliance with the Corporate Governance Regulations as laid out in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required under Regulation 34 (3) read with Part C of Schedule V to the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is annexed herewith as **Annexure –D-9** and forms a part of this Report.

A Compliance Certificate from Mr. Kanwaljit Singh Thanewal, a Company Secretary in practice having CP no. 5870, confirming compliance with the conditions of Corporate Governance by the Company is also annexed to this Report as **Annexure –D-10** 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 1000 listed entities based on market capitalization as on 31-03-2022.

### **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 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 annexed as **Annexure D-11** which forms part of this report.

### **DETAILS OF COMMISSION RECEIVED BY MANAGING DIRECTOR OR WHOLE TIME DIRECTOR**

A sum of Rs. 85,00,000/- (Rupees Eighty Five Lakhs Only) has been paid to Mr. Rajneesh Bansal, Managing Director of the Company, as commission for the Financial Year 2021-22 on the decision and recommendation of the Nomination and Remuneration Committee of the Company.

Further, no managing or whole-time director of the company, who is in receipt of Commission from the Company Paul Merchants Limited is receiving any remuneration or commission from any subsidiary company of Paul Merchants Limited and the Company has no holding company. As such, information required in terms of Section as 197(14) of the Companies Act, 2013 is NIL.

### **CONSOLIDATED FINANCIAL STATEMENTS**

Your Directors have pleasure in enclosing the Consolidated Financial Statements of Paul Merchants Limited consolidating the financials of its Wholly Owned Subsidiary Companies Paul Merchants Finance (Pvt) Ltd and PML Realtors (Pvt) Ltd., the Joint Venture Company M/s Horizon Remit Sdn. Bhd., Malaysia as required by Section 129(3) of the Companies Act, 2013 (Act) and Listing Regulations. Further, the consolidation of Financial Statements has also been done with Paul Innovations LLP for the full Financial Year 2021-22 and with Paul Tech Park LLP till 31.12.2021 in terms of Ind AS 110. The name of the said LLP i.e. Paul Tech Park LLP has been struck off in the records of the Registrar of Companies pursuant to the resolution passed by it on 30.12.2021 for striking off its name from the Register of LLPs. The said Consolidated Financial Statements are prepared in accordance with the applicable Indian Accounting Standards.

### **INDIAN ACCOUNTING STANDARDS, 2015**

The annexed financial statements for the Financial Year 2021-22 and corresponding figures for the Financial Year 2020-21 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

### **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 of the Board is duly constituted. The Audit Committee as on March 31, 2022 comprises of the following Independent Directors:-

Shri. Vigyan Prakash Arora	Non Executive Independent Director, Chairman
Shri Dilbag Singh Sidhu	Non Executive Independent Director, Member
Shri Ajay Arora	Non Executive Independent Director, Member
Sh. Hardam Singh	Company Secretary, Secretary to the Committee

Details of the Audit Committee have been given separately in the Corporate Governance report, which is annexed herewith as **Annexure D-9**. 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 of the Board is duly constituted. As on March 31, 2022 the Committee comprised of the following Directors:-

Sh. Dilbag Singh Sidhu	Non Executive Independent Director, Chairman
Sh. Inder Sain Negi	Non Executive Independent Director, Member
Shri. Vigyan Prakash Arora	Non Executive Independent Director, Member
Sh. Hardam Singh	Company Secretary, Secretary to the Committee

The details of Remuneration Policy and further details of this Committee are furnished in the Report on Corporate Governance, which is annexed as **Annexure D-9** to this report.

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

In terms of Regulation 20 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Section 178 (5) of the Companies Act, 2013, the Stakeholders Relationship Committee of the Board is duly constituted. As on March 31, 2022 the Committee comprised of the following Directors:-

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

Other details of the Committee have been given separately in the Corporate Governance report, which is annexed herewith as **Annexure D-9**.



## **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.

## **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 Listing Regulations. The details of the said Vigil Mechanism cum Whistle Blower Policy is given in the Corporate Governance Section, which is appended to this Report as **Annexure D-9**. The Vigil Mechanism cum Whistle Blower Policy is also available on the Company's website under weblink <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2021/08/Vigil-Mechanism-policy-07-02-2019.pdf>

## **COMMITTEES OF BOARD**

Pursuant to requirement under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted various Committees of Board such as Executive Committee, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The details of composition and terms of reference of these Committees are mentioned in the Corporate Governance Report.

## **INDUSTRIAL RELATIONSHIPS:-**

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

## **HUMAN RESOURCES DEVELOPMENT**

The Company has always believed that the people form the foundation of its success and continued growth. In all our pursuits, the Human resources are treated as one of the key strengths playing a critical role in every walk of our business. It will be a proud statement to make that the work force of the Company is a strategic business partner aligned with the business requirements of the Company. In the wake of ever rising quality demands of the customer coupled with our long term vision to expand exponentially in the coming years, it has become imperative to build a proactive, smart and energized work force. At the Company, it has always been our endeavor to align our work force with the cultural set up of the Organization and safety and welfare of the people has always been our priority. The Company has a dynamic and robust performance evaluation system in place through which personal growth objectives of the employees are aligned with the



organizational long term objectives so that people grow with the Company. As on 31-03-2022, the Company has 348 people on its rolls.

## **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 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 determining of Materiality' is <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/08/Policy-on-Determination-of-Materiality.pdf>

The company has already paid listing fees for the Financial Year 2022-23 to BSE Ltd. and has also paid the Annual Custodial fee for the Financial Year 2022-23 to the Depositories. The said Fees for the Financial Year 2021-22 were also paid duly within time.

## **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](http://www.paulmerchants.net). Further, the Board has also adopted the Code Of Conduct To Regulate, Monitor And Report Of Trading By Designated Persons and Their Immediate Relatives in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider trading Code 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. Rajneesh Bansal, Managing Director and Mr. Rajesh Garg, Chief Financial Officer (CFO), have issued a certificate as per the said Regulation for the year ended March 31, 2022. As the Company has no post of Chief Executive Officer (CEO), the said Certificate has been issued and signed by the Managing Director along with CFO of the Company. The said certificate forms an integral part of this Report, annexed as **Annexure D-13**. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company.

### **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 98.68% of the issued shares of the Company are already in dematerialized form as on 31-03-2022. 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 share transfer facility are maintained by them in terms of Regulation 7 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares

in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. Your Company did not have any funds lying unpaid or unclaimed for a period of seven years as on 31-03-2022. 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 and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company shall make requisite compliances for the FY 2021-22 as per the said Rules at appropriate time.

### **FINANCIAL STATEMENTS**

Annual Report 2021-22 of the Company containing Standalone as well as Consolidated Balance Sheet, Statement of Profit & Loss, Cash Flow Statement, other statements and notes thereto, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis Report and Corporate Governance Report) is being sent via email to all shareholders who have registered email address(es). Full version of Annual Report 2021-22 is also available for inspection at the Registered office of the Company during working hours up to the date of ensuing Annual General Meeting (AGM). It shall also be available at the Company's website [www.paulmerchants.net](http://www.paulmerchants.net), on the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) [www.evotingindia.com](http://www.evotingindia.com). The Notice of the AGM shall also be available at the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).

### **ACKNOWLEDGEMENT**

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

**For & On Behalf of the Board**

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

**For & On Behalf of the Board**

**(RITESH VAID)**  
**WHOLE TIME DIRECTOR**  
(DIN 09433856)

PLACE: CHANDIGARH  
Date: August 10, 2022

## **ANNEXURE D-1 TO THE DIRECTORS' REPORT**

### **NOMINATION AND REMUNERATION POLICY**

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4	MEMBERSHIP OF COMMITTEE
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### **NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time. Any amendment in the said Act/Regulations at any point of time in future shall be deemed to be incorporated herein automatically. 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 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 officers/ personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/ managing director/ whole time director/manager (including chief executive officer/ manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.
- 2.6. **"Remuneration"** means money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

### **3. ROLE OF COMMITTEE**

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

The Committee's Role shall be:-

- a. To formulate and recommend to the Board, a Nomination and Remuneration Policy of the Company as per the Companies Act, 2013, applicable RBI Guidelines and Regulation 19(4) of Listing Regulations, as amended from time to time.
- b. To recommend addition/modification to the Nomination & Remuneration Policy to the Board from time to time.
- c. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration for the directors, Key Managerial Personnel and other employees as per the Companies Act, 2013, applicable RBI Guidelines and Regulation 19(4) of Listing Regulations, 2015, as amended from time to time
- d. To formulate criteria for evaluation of performance of independent directors and the board of directors
- e. To devise a policy on diversity of board of directors
- f. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board or by Nomination and Remuneration Committee or by an independent external agency and to review its implementation and compliance
- g. To recommend whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation

of independent directors

- h. To recommend to the Board, appointment and removal of Directors, KMPs and Senior Management Personnel.
- i. To recommend to the board, all remuneration, in whatever form, payable to senior management
- j. To oversee familiarisation programmes for directors.
- k. To perform such other duties and responsibilities as may be consistent with the provisions of the Companies Act, Listing Regulations or any applicable Statute as the Committee may deem appropriate after the approval of the Board or as may be directed by the Board from time to time.

### **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. Further, the Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement



- annexed to the notice for such motion shall indicate the justification for appointing such a person.
- 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.
  - f) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - a. use the services of an external agencies, if required;
    - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - c. consider the time commitments of the candidates.

### **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 Directors:**

- 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 and Listing Regulations.

### **3.2.3.CHART SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:-**

<b>Core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively</b>	<ol style="list-style-type: none"> <li>1. Ability to understand Financial Markets especially Forex Markets</li> <li>2. Ability to understand Regulatory/Statutory framework applicable to the Company</li> <li>3. Quick decision making</li> <li>4. Understanding of Company's business verticals</li> <li>5. Experience in developing policies and processes relating to corporate governance</li> <li>6. Leaderships skills for guiding the management team</li> <li>7. Ability to formulate long term and short term business strategies</li> <li>8. Ability to understand Financial Statements</li> </ol>
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#### **3.2.4. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel on annual basis on the following criteria:-

**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 as per Chart given under para 3.2.3 above and contribution to strategy formulation
- v. Contribution towards statutory compliances, monitoring of controls and Corporate Governance
- vi. The evaluation of independent directors shall be done by the entire board of directors which shall include –
  - (a) Performance of the directors; and
  - (b) fulfillment of the independence criteria as specified in the Companies Act, 2013 and Listing Regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate

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

**d. Criteria for evaluation of the KMPs and Senior Management Personnel**

- i. Problem solving approach
- ii. Suitability to the post on the basis of qualification, experience and expertise
- iii. General conduct and discipline
- iv. Team work
- v. Compliance with Regulatory Matrix
- vi. Contribution to the formulation of the strategies

**3.2.5. 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, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**3.2.6. 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 under the applicable law.
- (b) The remuneration to be paid to the Whole-time Directors shall be in accordance with the percentage / slabs / conditions laid down in the Resolution appointing them or 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:-**

**a. Remuneration to Managing Director / Whole-time Directors:**

- i. The Remuneration/ Commission etc. to be paid to Executive/ Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013, Rules made thereunder, provisions of Listing Regulations, as amended from time to time or any other enactment for the time being in force and as per the approvals obtained from the Members of the Company.

- ii. 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.
- iii. The Committee may also recommend/approve a range of remuneration within which the remuneration may be paid to the Executive/ Managing Director / Whole-time Directors.
- iv. **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.
- v. **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 approved by the company by special resolution within two years from the date the sum becomes refundable.

**b. 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 the eligible Directors (other than Independent Directors).

**c. Remuneration to key managerial personnel and senior management:-**

- a) The remuneration to Key Managerial Personnel and Senior Management Personnel 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) The Committee may also recommend a range of remuneration within which the remuneration may be paid to the Key Managerial Personnel and Senior Management Personnel.
- c) 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.
- d) 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.
- e) 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. **POLICY ON BOARD DIVERSITY:** The Board shall comprise of Directors having expertise in different areas / fields like Finance, Accounts, Business Development, Sales and Marketing, Banking, Regulatory Framework, Human Resource management, etc. or other areas as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The Board shall have at least one Board member who has accounting or related financial management expertise and at least one women director.

**5. MEMBERSHIP OF COMMITTEE**

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

**6. CHAIRPERSON**

- 6.1 Chairperson of the Committee shall be an Independent Director.
- 6.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 6.3 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.
- 6.4 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.

**7. FREQUENCY OF MEETINGS**

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

## **8. COMMITTEE MEMBERS' INTERESTS**

- 8.1 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.
- 8.2 The Committee may invite such executives, professionals, consultants or experts as it considers appropriate, to be present at the meetings of the Committee.

## **9. SECRETARY**

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

## **10. VOTING**

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

## **11. MINUTES OF COMMITTEE MEETING**

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

(Sd/-)

Chairman

**For & On Behalf of the Board**

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

**For & On Behalf of the Board**

**(RITESH VAID)**  
**WHOLE TIME DIRECTOR**  
(DIN 09433856)

PLACE: CHANDIGARH

Date: August 10, 2022

**ANNEXURE D-2 TO THE DIRECTORS' REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

*[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, 3<sup>rd</sup> 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, 2022 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 of Board and Committee Meetings, Proceedings of General Meetings and Postal Ballot, forms and returns filed and other records maintained by PAUL MERCHANTS LIMITED ("the Company") for the financial year ended on March 31, 2022 under the provisions of below mentioned regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021: Not Applicable during the financial year under review.
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable to the company during the financial year under review.
  - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the financial year.
  - f) 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.
  - g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.
  - h) 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.
  - i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
- (vi) The major provisions and requirements prescribed under all applicable Labour laws viz. The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Employee's State Insurance Act, 1948, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972 etc.

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

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

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 carried out during the year were in compliance with the applicable laws and regulations.
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:

- a. During the audit period, the company, with the approval of the members vide special resolution passed in the 37<sup>th</sup> Annual General Meeting has altered the Articles of Association of the company.
- b. As reported by the company, on 24-06-2022, a fire incident had occurred at the Registered office of the Company at DSM 335, 336, 337, 3<sup>rd</sup> Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi -110015, in which some Statutory records of the Company were burnt. As such, for the purpose of recording our Audit findings with respect to Minutes of General Meetings and Postal Ballot, we have examined the Proceedings of General Meetings and Postal Ballot.

I further report that, there were no instances of:

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

Place: Shimla

Date: 30.07.2022

UDIN: A046547D000713501

Sd/-  
ANIL NEGI  
ACS No. 46547  
C P No.: 17213  
Peer Review Cert No. 2383/2022

**ANNEXURE D-2A**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

*[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 Finance Private Limited,  
Ground Floor, S.C.O. 829-830,  
Sector 22-A, Chandigarh- 160022.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PAUL MERCHANTS FINANCE PRIVATE 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 FINANCE PRIVATE 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, 2022 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 FINANCE PRIVATE LIMITED ("the Company") for the financial year ended on March 31, 2022 under the provisions of below mentioned regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- (v) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; to the extent applicable to the company, being a material subsidiary of a listed company.
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company being an unlisted company:
  - 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 (Share Based Employee Benefits) Regulations 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
  - d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
  - 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.
  - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
- (vii) The major provisions and requirements prescribed under all applicable Labour laws viz. The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Employee's State Insurance Act, 1948, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972 etc.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable being a material subsidiary of a listed company.

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

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 carried out during the year were in compliance with the applicable laws and regulations.
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.
  - d) Master Directions issued by the Reserve Bank of India as applicable to the Company.

I further report that during the audit period, the company, with the approval of the members on Extra Ordinary general meeting held on 15.10.2021 has altered the main object clause of the Memorandum of Association.

I further report that, there were no instances of:

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

Place: Shimla

Date: 30.07.2022

UDIN: A046547D000713664

Sd/-  
ANIL NEGI  
ACS No. 46547  
C P No.: 17213  
Peer Review Cert No. 2383/2022

## **ANNEXURE D-3 TO THE DIRECTORS' REPORT**

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

#### **PART (1)**

#### **(a) INDUSTRY STRUCTURE AND DEVELOPMENTS**

##### **Foreign Exchange**

The global foreign exchange market reached a value of US\$ 702.0 Billion in 2021. Rapid urbanization and inflating disposable income levels of individuals are among the key factors positively influencing the market. In line with this, a significant increase in international trade activities is catalyzing the demand for Forex as it provides numerous benefits, such as minimal trading costs, high liquidity and transactional transparency, 24x7 trading opportunities, and vast trading volume. Besides this, the rising trend of digitization and the introduction of outright forward and currency options are contributing to the Global market growth. Additionally, the development of advanced electronics and multiple internet-based platforms that allow users to conveniently exchange currencies between countries while ensuring the delivery of goods and services in a secure and centralized setting is creating a favorable market outlook globally. Along with this, the launch of automated conversion systems that offer improved flexibility and convenience during currency exchanges is driving the market. Furthermore, organizations are focusing on developing the overall infrastructure to provide improved security solutions for trading, which is anticipated to propel market growth.

Foreign exchange, or forex, is the conversion of one country's currency into another. In a free economy, a country's currency is valued according to the laws of supply and demand. In other words, a currency's value can be pegged to another country's currency, such as the U.S. dollar, or even to a basket of currencies. A country's currency value may also be set by the country's government. However, many countries float their currencies freely against those of other countries, which keeps them in constant fluctuation. The value of any particular currency is determined by market forces based on trade, investment, tourism, and geo-political risk. Every time a tourist visits a country, for example, they must pay for goods and services using the currency of the host country. Therefore, a tourist must exchange the currency of his or her home country for the local currency. Currency exchange of this kind is one of the demand factors for a particular currency. The Central Government of India regulates the Indian Foreign Exchange Market under the FEMA Act 1999. Earlier, the Reserve Bank of India (RBI) used to look after the affairs of the market under the FERA Act 1947. As far as the regulation of interbank trading in India is concerned, a self-regulatory body called the Foreign Exchange Dealers Association of India (FEDAI) was formed in 1958. The association is responsible for devising a regulatory framework concerning the scope of interbank transactions. The FEDAI also prescribes commissions

and associated fees for the businesses that deal with interbank foreign exchange in India. On the other hand, Clearing Corporation of India Limited (CCIL) takes care of the settlement and clearing issues in the Indian Foreign Exchange Market. India emerges as the 5th largest forex reserves holder in the world with US\$ 608.99 billion in 2021.

### Forex Market Hierarchy



According to the IMF, the world economy recovered strongly in the year 2021, rising 6.1% from the 2020 levels, primarily driven by effective vaccination drives and opening up of economies due to decline in Covid. After a strong start to the year, the momentum weakened in the second quarter due to sharp increase in infections during the second wave in emerging and developing markets and supply disruptions. Continued fiscal support in advanced economies and accommodative monetary stance created positive environment for pick up in private investments and consumption. The Russia-Ukraine crisis has further aggravated inflationary pressure across the globe. Rising food and fuel prices are impacting low-income countries more severely

### Tours and Travels

The global Tours and Travel industry incorporates many industries, including accommodation, transport, attractions, travel companies and more. In its broadest sense, tourism is defined as when people travel and stay in places outside of their usual environment for less than one consecutive year for leisure, business, health, or other

reasons. Considering how profitable the industry is, many countries have an incentive to invest in policies that enable the development of travel and tourism. In 2021, the leading countries and territories in the travel and tourism development index (TTDI) were Japan, the United States, and Spain, receiving a score of 5.2 points each out of seven. Although travel and tourism contribute significantly to the global GDP, both were severely impacted by the global coronavirus (COVID-19) pandemic that began in early 2020.

In the last few years, Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is an important source of foreign exchange in India similar to many other countries. Travel and tourism is one of the largest industries in India, with a total contribution of over 122 billion U.S. dollars to the country's GDP and is estimated to double in the coming years. India offers geographical diversity, attractive beaches, 37 World Heritage sites, 10 bio-geographic zones, 80 national parks and 441 sanctuaries. The country's big coastline is dotted with several attractive beaches. In the aftermath of Covid, mountainous regions away from crowded cities has become the first choice for a trip after the lockdown. With a return to pre-pandemic levels, there is also a likelihood of a more eco-friendly and responsible tourism. India is the most digitally advanced traveller nation in terms of digital tools being used for planning, booking, and experiencing a journey. India's rising middle class and increasing disposable income has supported the growth of domestic and outbound tourism. And for the people on the ground, it has been creating jobs, both directly and indirectly. In October 2021, the Government of India announced plan to resume inbound tourism from November 15, 2021, which is lending a boost to the tourism sector in India. Government schemes like 'Dekho Apna Desh' had been continued even in pandemic times with a series of webinars on domestic tourist hotspots.

### **International Money Transfer**

Under this segment, people living abroad send money to their families/dependents living in India. Cross-border, person-to-person payments are of a relatively low value. The transfers are typically recurrent payments by migrant workers to their relatives in their home countries. Remittances are – first and foremost – a private flow of funds between family members. The COVID-19 pandemic has highlighted the crucial role played by international remittances in building resilience during times of crisis. The actions of public sector and international bodies have significantly contributed to the continuity of remittance flows. Often working in consultation with the private sector, governments and regulators took measures to create a more enabling environment to keep remittances flowing and to promote the uptake of digital channels. During 2021, remittance inflows saw strong gains in Latin America and the Caribbean (25.3 percent), Sub-Saharan Africa (14.1 percent), Europe and Central Asia (7.8 percent), the Middle East and North Africa (7.6 percent), and South Asia (6.9 percent). The top five recipient countries for



remittances in 2021 were India, Mexico (replacing China), China, the Philippines, and Egypt. India, the world's largest recipient of remittances, received USD 87 billion in 2021 with the United States being the biggest source, accounting for over 20 per cent of these funds, according to the World Bank.

## **(b) OPPORTUNITIES & THREATS**

### **OPPORTUNITIES**

According to market analysts, the USD will appreciate further in the coming year, underpinned by the Federal Reserve's efforts toward monetary policy normalization and moderation of global growth. This year, the USD is shifting from a weaker to a stronger position. Analysts believe that the euro is vulnerable versus a rising US dollar, given that the European Central Bank (ECB) does not anticipate raising interest rates. They also predict that other currencies, such as the Australian dollar, will be able to compete with the stronger greenback. In India, Government is providing free loans to MSMEs to help them deal with the crisis arising out of Covid 19 and revive the economy, including the tourism sector. Post the pandemic crisis, the government plans to tap into regional tourism by opening doors for South Asian country tourists. The medical tourism sector is predicted to increase at a CAGR of 21.1% from 2020-27. The travel market in India is projected to reach US\$ 125 billion by Financial Year 2026-27 from an estimated US\$ 75 billion in Financial Year 2019-20. In the aftermath of Covid 19, there has been an unprecedented switch to regulated and digital channels for remittances as the pandemic forced consumer behavior and business model changes. These developments are expected to throw ample opportunities in the field of Tours and Travels

### **THREATS**

The Russian invasion of Ukraine has triggered large-scale humanitarian, migration and refugee crises and risks for a global economy that is still dealing with the impact of the COVID pandemic. Although the macroeconomic risks emanating from the Covid-19 pandemic receded during the year, one cannot rule out severe outbreaks in the future. Moreover, the war in Ukraine poses fresh challenges to the global economy. Increase in global energy, food and commodity prices due to the war has directly impacted India's policy maneuverability and outlook for growth. This can adversely impact consumer sentiment, impacting the Company's ability to generate revenue and affect its growth prospects. The younger generation is more tech-savvy, and many are turning to forex trading as a full-time job. The coronavirus pandemic has impacted the financial sector, particularly the foreign exchange market. Although this disease is a threat to the general population, its effects on currency markets will likely continue into Financial year 2022-23. The spread of new coronavirus variants may also increase volatility in the foreign exchange market. The lingering effects of the Covid, sluggishness in various sectors of



world economy and Ukraine War are likely to impact International Tours and Travels adversely and consequently affecting Forex markets, which are directly linked to growth and development of International Travel Sector. These development are also expected to pose threats to the International remittances sector. The Company recognizes these threats and risks and has reasonable measures in place to mitigate their impact, to the extent possible.

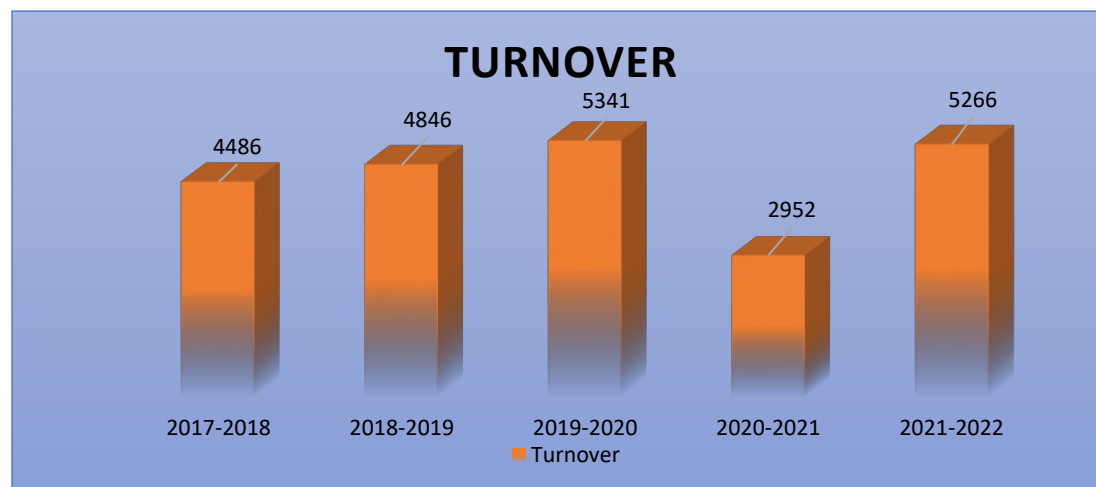
### **(c) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

#### **FOREX DIVISION**

The total turnover from this division increased to ₹ 5266.26 Crores as compared to previous year figures of ₹ 2952.59 crores, registering a growth of 78.36%. Due to gradual removal of restrictions on the international travel trade, the sale and purchase of foreign exchange has increased to some extent, however the company continued to make major progress in overseas remittances division.

#### **Total Forex Turnover Trends (excluding Non-AD-II turnover)**

Figures in INR Crores

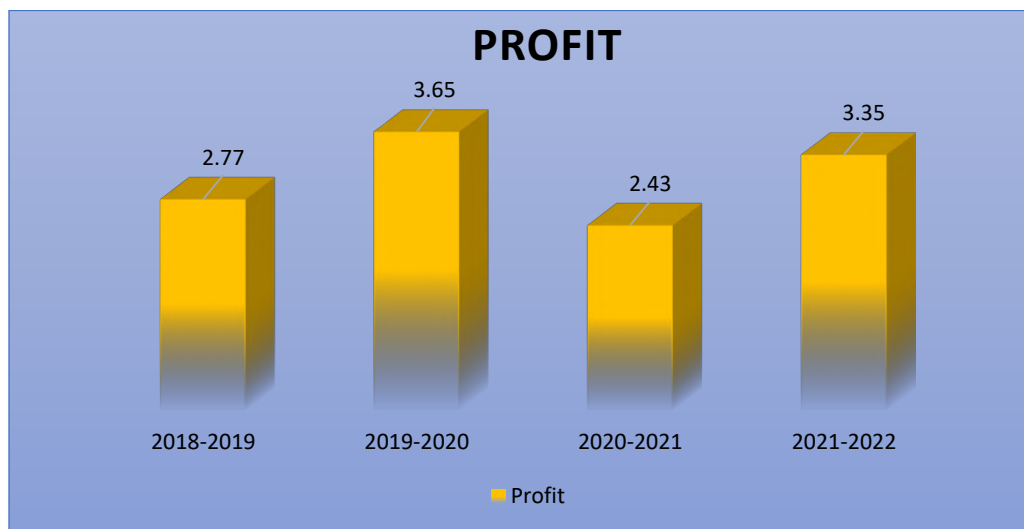


Among the various products in Forex, the Telegraphic Transfer business has always been one of the major contributor for the Company towards the overall Forex Sales. This year too it has been one of the major contributing product with 89.48% share in the total sales made by the Company. Currency business, which remained sluggish during the year under review due to Covid, contributed to the overall Forex sales with a 10.52% share.

### **Non AD II Business**

The Company has been able to register an income of ₹ 3.35 crores as against the previous year's figures of ₹ 2.43 crores during the year under review, registering thereby a growth of 38% over last year.

### **Non ADII Profit (Figures in INR Crores)**



### **TRAVEL DIVISION**

In this segment, Gross Turnover from Hotel Bookings and Packages stood at ₹ 61.61 Lakhs for the year under review as against the previous year figure of ₹ 9.15 lakhs, registering an increase of 573 %. Revenue from Hotel Bookings and Packages stood at ₹ 9.92 Lakhs for the year under review as against the previous year figure of ₹ 4.84 Lakhs, registering an increase of 105 %.

Revenue from Air Ticketing stood at ₹ 1.04 crores for the year under review as against the previous year figure of ₹ 41.95 lakhs, registering increase of 148%.

The Company also offers other services which are allied to the Tours and Travel activities like Visa and other products. These are the services, which are invariably required by the customer who comes to the Company Outlets for his Travel Needs. Revenue from Visa, Bus Bookings and Railway Booking services stood at ₹ 4.05 Lakh for the year under review as against the previous year figure of ₹ 1.80 Lakhs, registering an increase of 125%.

### **INTERNATIONAL MONEY TRANSFER DIVISION (MTSS BUSINESS)**

The Company has been offering International Inward Money Transfer services as a Sub Agent of Ebix Money Express Services (P) Ltd., as per the Regulations issued by Reserve Bank of India and is offering the services of Western Union, RIA Money Transfer & Transfast. During the year under review, the Company achieved Revenue from this segment at ₹37.72 Lakhs as against the previous year figure of ₹43.43 Lakhs, registering a decline of 13%. In the year 2022-23, the Company has also started offering the services of MoneyGram as Sub Agent of Ebix Money Express Services (P) Ltd.

Further, the Company achieved Revenue from Domestic Money Transfer at ₹ 12.91 Lakhs as against the previous year figure of ₹ 9.59 Lakhs, registering an increase of 35%. For offering these services, the Company acts as a Distributor of its Wholly Owned Subsidiary Paul Merchants Finance (Pvt) Ltd.

### **(d ) OUTLOOK**

According to the IMF, India's projected economic growth for Financial Year 2022-23 is 8.2%. This growth will be driven by higher capital expenditure, infrastructure development through the new institutional framework, a boost to the manufacturing sector and buoyant exports. Besides exports and imports of goods and services, the overall stability of the external sector depends on other components of balance of payments including remittances (transfers), income in the current account, the size of net capital flows and external debt. India is comfortable in most of these external sector vulnerability indicators. The Covid 19 pandemic, the subsequent lockdowns and social distancing measures have had a significant impact on the contact intensive services sector. By the end of the Financial year 2022-23, presuming that there will be no further virus variants causing disruptions, the services sector is well on course to achieve the target of \$ 325 billion. With surging vaccination rates, travellers are gaining confidence to make holiday plans, leading to the tourism industry seeing early signs of rebound. International Tourists arrival is expected to reach 30.5 billion by 2028. Remittances to Ukraine, which is the largest recipient in Europe and Central Asia, are expected to rise by over 20 percent in 2022. However, remittance flows to many Central Asian countries, for which the main source is Russia, will likely fall dramatically. The RBI has embarked on a normalisation of eased monetary policy undertaken since March 2020 to mitigate the distress due to the pandemic. RBI has increased the policy repo rate by 40 bps and more such hikes are expected in the current financial year as the RBI will continue with policy normalisation amid elevated inflation. The hotel industry in India is expected to reach a value of INR 1.2 trillion by the end of 2023 owing to the high arrival rate of foreign tourists and business delegates. There is significant pent-up demand for tourism in the domestic market due to restrictions imposed over the last two years caused by the pandemic. Also, the diversion of outbound leisure travel to domestic tourism has been positive for the Indian hospitality

sector. Therefore, domestic tourism is expected to recover faster than international travel, which is also set to see a boost in the post pandemic era. These developments, present a very positive outlook for Forex and Travel Verticals of the Company and the normalcy being returning to the world economies, it will leave a positive impact on the International Remittances as well.

#### **(e) RISKS AND CONCERNS**

There are different types of risks that can occur in forex market. Some are related to the market nature, others may be an outcome of bad trading decisions or unexpected events:-

- **Market Risks:** They are the risks when the market movements violate expectations. It is more related to the unexpected fluctuations in prices.
- **Liquidity Risks:** Liquidity reflects how actively an asset is being traded. There are some currency pairs, exotic pairs for example, that lack sufficient liquidity for trades to be executed instantly. This may cause traders to make smaller profits, and may be even lose. There are also times when the market is less liquid. The overlap between the US and European trading sessions is the time of highest liquidity in the forex market, especially for major currencies.
- **Monetary Policy Decisions:** The monetary policy of a currency affects its performance against its rivals. Any unexpected change to this policy affects the currency directly and immediately, especially when it comes to interest rates that impact the currency's value.
- **Economic risk:** It is also known as forecast risk, is the risk that a company's market value is impacted by unavoidable exposure to exchange rate fluctuations. Such a type of risk is usually created by macroeconomic conditions such as geopolitical instability and/or government regulations.
- **Financial Risks:-** Currently, the Company has no long-term debt on a standalone basis and has a strong and stable capital structure
- **Regulatory and Legal Risks:** The Company is exposed to regulatory and legal risks. These include cumbersome processes and risks relating to forex operations.
- **Information Technology Risks:** Information Technology and cyber risks include continuous attacks (malware, phishing, ransomware), security breaches, threats to accounting and operations systems, protection to sensitive customer data, data leakage, business continuity, access control etc. These may lead to financial, reputational and legal damages. The Company has implemented several applications to digitize processes in its business verticals, Compliance, Operations and Human Resources departments. The Company has put in place information security management system with policies, processes, systems and controls for ensuring data protection. The management periodically reviews the information technology risks

Further, Natural disasters, Political issues, Terrorism and Economic crises in various tourism destinations are the risks that impacts the Travel industry. Similar risks affect the International Remittances business also and in the recent past, several countries have faced one or more these risks and concerns.

Your Company monitors its major risks and concerns at regular intervals. Appropriate steps are taken in consultation with all concerned including the Audit Committee of the Board to identify and mitigate such risks. The Company has adequate systems and controls in place to reasonably mitigate these risks and minimise the instances arising out of these risks.

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

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

The Board of Directors of the Company has assessed the effectiveness of the Company's internal controls over financial reporting to their satisfaction (as defined in Clause 17 of Listing Regulations as of March 31, 2022). The statutory auditors of the Company have audited the financial statements included in this annual report and have issued a report on Company's internal controls over financial reporting (as defined in section 143 of Companies Act 2013). Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of Listing Regulations), Audit Committee of the Board has concluded that as of March 31, 2022, internal financial controls in the Company were adequate and operating effectively.

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

					Rs. In lakhs
Sr. No	Particulars	Year Ended		Year Ended	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		Standalone		Consolidated	
1	<b>Revenue from operations</b>				
	Sales	5,27,286.11	2,95,566.04	5,35,672.24	3,02,932.49
	Other operating income	787.29	584.13	830.56	575.46
	<b>Total (1)</b>	<b>5,28,073.40</b>	<b>2,96,150.17</b>	<b>5,36,502.81</b>	<b>3,03,507.95</b>
2	<b>Expenses</b>				
	a. Cost of materials consumed				
	b. Purchase of stock in trade	5,18,018.20	2,90,584.26	5,18,018.20	2,91,584.26
	c. Changes in inventories of finished goods, stock-in-trade and work-in progress	13.96	200.33	13.96	200.33
	d. Employee benefits expense	1,485.59	1,425.44	3,069.40	2,318.20
	e. Other expenses	7,475.21	4,002.68	8,872.12	4,964.16
	<b>Total (2)</b>	<b>5,26,992.95</b>	<b>2,96,212.71</b>	<b>5,29,973.68</b>	<b>2,99,066.97</b>
3	<b>Operating profit (EBITDA excluding other income (1-2))</b>	<b>1,080.44</b>	<b>-62.54</b>	<b>6,529.13</b>	<b>4,440.99</b>
4	Other Income	1,950.27	2,212.30	371.29	760.78
5	Less: Finance costs	43.93	24.10	1,116.00	480.42
6	Less: Depreciation & amortization expenses	184.71	222.77	326.51	298.93
7	<b>Profit before share of profit/ (loss) in Subsidiaries/associates / joint venture, exceptional items &amp; tax</b>	<b>2,802.07</b>	<b>1,902.89</b>	<b>5,457.91</b>	<b>4,422.41</b>



8	Share of profit/ (loss) in Subsidiaries/associates / joint venture, exceptional items & tax			0.95	43.64
9	Exceptional items	64.23	304.72	64.23	-
10	<b>Profit before tax</b>	<b>2,737.84</b>	<b>1,598.17</b>	<b>5,392.72</b>	<b>4,378.77</b>
11	Less: Provision for tax				
	Current tax	638.00	336.78	1,343.67	1,028.17
	Prior Period Tax	27.14	-16.52	23.51	-8.02
	Deferred tax	33.68	10.17	8.42	13.69
	Total	698.82	330.44	1,375.60	1,033.84
12	<b>Profit after tax</b>	<b>2,039.02</b>	<b>1,267.73</b>	<b>4,017.13</b>	<b>3,344.93</b>
13	Total Comprehensive Income	2,035.48	1,274.21	4,012.46	3,352.96
14	Balance of Surplus brought forward	40,265.45	38,991.24	34,126.11	31,165.54
15	Reserves and Surplus at the end of the year	42,351.33	40,315.85	46,586.34	42,573.87

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

Your Company has always believed that Personnel management is the seed and root for Human resources management. The Company ensures that the employees at all levels are given high priority in decision making process, that the work force is treated as a valuable asset of the organization, that along with growth and expansion of the Company, the employees are nurtured to being a part of the journey and that the capacity building is pursued as a multi-faceted journey and not a single event. Continuous commitment to upgrade skills in every field is an integral part of the human resource development policy of the Company.

As on 31st March, 2022, 348 number of people are employed in the Company.

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

Sr. No.	Ratio		2020-21	2021-22	Change	EXPLANATION FOR CHANGE
a	Debtors Turnover	Credit Sale/Average Trade receivable	5.72	11.36	99%	Due to increase in Credit sales as compared to previous year.



b	Inventory Turnover	Cost of goods sold/average inventory	83	118	42%	This is mainly because Purchases increased as compared to previous year.
c	Interest Coverage Ratio	PBT/Interest	287	185	-36%	Interest cost increased due to increased business volumes and consequent increased usage of credit limits
d	Current Ratio	Current Assets/ Current Liability	9.25	5.45	-41%	Current liabilities increased compared to last year mainly due to increase in advance from customers and borrowings
e	Debt Equity Ratio	Debt/Total Equity	0.0126	0.0224	78%	Borrowings increased during the year due to increased business volumes
f	Operating Profit Margin (%)	Operating Profit/Total Operating Revenue	-0.10%	0.16%	261%	The increase is due to increase in business revenue and income as compared to previous year
g	Net Profit Margin (%)	PBT/ Total Income	0.54%	0.52%	-4%	It need not to be reported as % effect is less than 25%
h	Any sector-specific equivalent ratios, as applicable	Nil	-	-	-	There is no such sector-specific equivalent ratio

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

Ratio	2020-21	2021-22	Change	EXPLANATION FOR CHANGE
Return On Net Worth	3.13%	4.80%	53%	Profit after tax increased as compared to previous year

**PART 2**

**DISCLOSURE OF ACCOUNTING TREATMENT -**

The accompanying Financial Statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and defined contribution plans which have been measured at actuarial valuation as required by relevant Ind AS, the provisions of the Companies Act, 2013 ('the Act') (to the extent

notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

### **CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis Report 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, downward trend in migration, Covid induced Lockdown, rise in operational costs, exchange rate fluctuations and significant changes in political, social and economic environment, tax laws, litigation and labour relations.

**For & On Behalf of the Board**

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

**For & On Behalf of the Board**

**(RITESH VAID)**  
**WHOLE TIME DIRECTOR**  
(DIN 09433856)

PLACE: CHANDIGARH  
Date: August 10, 2022

**ANNEXURE D-4 TO THE DIRECTORS' REPORT**

<b><u>Details of Loans</u></b>			
<b>Sr. No.</b>	<b>Name of Entity/Person</b>	<b>Amount (in Rs.)</b>	<b>Purpose</b>
<b>1</b>	Paul Merchants Finance (P) Ltd., Wholly Owned Subsidiary	46,93,11,478/- *	Net Working Capital Limit extended during the Financial year 2021-22
*Total Balance outstanding as on 31-03-2022 is Rs 1,84,81,61,579 /-			
<b><u>Details of Guarantees and Securities</u></b>			
<b>Sr. No.</b>	<b>Name of Entity/Person</b>	<b>Amount</b>	<b>Purpose</b>
<b>1</b>	State bank of India	Rs 50 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
<b>2</b>	State bank of India	(a) Commercial property known as DSM 346- 347 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi -110015, (b) Flat No. 2203, 22nd Floor, Wing C, DB Woods, Mumbai, Unit no A/303, 3rd Floor, (c) Kanakia Zillion, Wing A, LBS Marg, Kurla (west), Mumbai (d) Shop No 3, UGF, 37, Cantt Road, Lukhnow  All properties valued at about Rs. 13.30 crores	Security for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
<b>3</b>	IDBI Bank	Rs.15 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned

			Subsidiary Paul Merchants Finance Private Limited
4	AU Small Finance Bank	Rs. 20 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited

**Details of Investments**

**A. Investments in Structured Entity- Unquoted at FVTPL**

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	India Real Estate Fund (Investment of Rs. 1,23,65,800/- and redemption affected Rs. 24,51,400)	99,14,400	To park surplus funds
2	ICICI Prudential Liquid Direct Plan Growth (Investment of Rs 3,00,00,000/- net of redemption of Rs. 3,00,00,000/-)	NIL	-do-
	<b>GRAND TOTAL OF INVESTMENTS</b>	<b>99,14,400</b>	

**Note 1:** Investments have been measured at Fair Value through Profit & Loss

**Note 2:** Further reference can be made in this regard to Note no. 2, 6, 9, 10, 37, 38 and 41 to the accompanying Financial Statements

**For & On Behalf of the Board**

**For & On Behalf of the Board**

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

**(RITESH VAID)**  
**WHOLE TIME DIRECTOR**  
(DIN 09433856)

PLACE: CHANDIGARH

Date: August 10, 2022

**ANNEXURE D-5 TO THE DIRECTORS' REPORT**

**FORM NO. AOC-2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis – NIL
2. Details of material contracts or arrangements or transactions at Arm's length basis – NIL.

Details of contracts or arrangements or transactions at Arm's length basis has voluntarily been given as a matter of good corporate governance as follows:-

<b>RENT PAID TO DIRECTORS</b>		
<b>Name(s) of the related party and nature of relationship</b>	<b>Rajneesh Bansal - Managing Director (DIN 00077230)</b>	<b>Amount for the FY 21-22 (Rs.)</b>
<b>Nature of contracts/arrangements/transactions</b>	Rent Agreement in respect of Shop No. 3, 4A,4B & 4C, Lower Ground Floor, Alfa Estate Building, G.T. Road, Jalandhar, owned by him. This amount of rent includes GST @18%. TDS @10% has been deducted.	5,99,707
<b>Duration of the contracts/arrangements/transactions</b>	The arrangement is running since 01-04-2008 and the Current term is from 01/04/2019 to 31/03/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>		
<b>Rate of Rent</b>	Rs. 46,274/- per month from 01.04.2021 till 31.03.2022	
<b>Annual Increase</b>	8%	
<b>Local Levies</b>	Payable by the Company	
<b>Justification for entering into such contracts or arrangements or transactions</b>	The Company is using the Shops for its office purpose and paying the rent as per market rate. As such, this Transaction is justified and is in the interests of the Company.	
<b>Date(s) of approval by the Board, if any</b>	11.12.2007 & 12.02.2013	
<b>Amount paid as advances, if any:</b>	Rent is paid in advance on monthly basis	
<b>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</b>	Not Required.	

<b>Name(s) of the related party and nature of relationship</b>	<b>Rajneesh Bansal - Managing Director (DIN 00077230)</b>	<b>Amount for the FY 21-22 (Rs.)</b>
<b>Nature of contracts/arrangements/transactions</b>	Rent Agreement in respect of Shop No. 1A, Ground Floor, Mcleodganj, Dharamshala, owned by him. This amount of rent includes GST @18%. TDS @10% has been deducted.	11,10,562
<b>Duration of the contracts/arrangements/transactions</b>	The arrangement is running since 01-04-2008 and the Current term is from 01/04/2020 to 31/03/2023	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>		
<b>Rate of Rent</b>	Rs. 85,692/- per month from 01.04.2021 to 31.03.2022	
<b>Annual Increase</b>	8%	
<b>Local Levies</b>	Payable by the Company.	
<b>Justification for entering into such contracts or arrangements or transactions</b>	The Company is using the Shop for its office purpose and paying the rent as per market rate. As such, this Transaction is justified and is in the interests of the Company.	
<b>Date(s) of approval by the Board, if any</b>	11.12.2007 & 07.02.2014	
<b>Amount paid as advances, if any:</b>	Rent is paid in advance on monthly basis.	
<b>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</b>	Not required.	

**RENT RECEIVED FROM SUBSIDIARY COMPANY**

<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company</b>	<b>Amount for the FY 21-22 (Rs.)</b>
<b>Nature of contracts/arrangements/transactions</b>	Rent Agreement for giving a portion measuring 600 Sq.ft. approx. at Ground Floor of Company owned showroom SCO 829-830, Sector 22-A, Chandigarh, on rent	10,19,180
<b>Duration of the contracts/arrangements/transactions</b>	The arrangement is running since 15-09-2012 and the Current term is from 01/06/2019 to 31/05/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>		
<b>Rate of Rent</b>	Rs. 80,250/- per month from 01.04.2021 to 31.05.2021 and Rs. 85,868/- per month w.e.f. 01.06.2021 till 31.03.2022	
<b>Annual Increase</b>	7%	
<b>Local Levies</b>	Local levies, Server expenses and utility bills included in rent. (GST payable by the Lessee)	

<b>Justification for entering into such contracts or arrangements or transactions</b>	The Company has let out this portion for use of the same by its Wholly Owned Subsidiary Company for its office purpose and is receiving the rent as per market rate. As such, this Transaction is justified and is in the interests of the Company.	
<b>Date(s) of approval by the Board, if any</b>	17.08.2012 & 14.05.2019	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	
<b>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</b>	Not required.	

<b>Name(s) of the related party and nature of relationship</b>	<b>PML Realtors (Pvt.) Ltd. – A Wholly Owned Subsidiary Company</b>	<b>Amount for the FY 21-22 (Rs.)</b>
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving a portion measuring 110 Sq Ft at 2 <sup>nd</sup> Floor of Company owned showroom SCO 827-828, Sector 22-A, Chandigarh on rent.	1,55,529
<b>Duration of the contracts/ arrangements/transactions</b>	From 18/12/2017 onwards until terminated by either party	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>		
<b>Rate of Rent</b>	Rs. 15,117/- inclusive of GST per month from 01.04.2021 to 07.02.2022 and Rs. 16,326/- inclusive GST per month w.e.f. 08.02.2022 till 31.03.2022.	
<b>Annual Increase</b>	8%	
<b>Local Levies</b>	Payable by the Lessor.	
<b>Justification for entering into such contracts or arrangements or transactions</b>	The Company has let out this portion for use of the same by its Wholly Owned Subsidiary Company for its office purpose and is receiving the rent as per market rate. As such, this Transaction is justified and is in the interests of the Company.	
<b>Date(s) of approval by the Board, if any</b>	14.11.2017 & 07.02.2019	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	
<b>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</b>	Not required.	

**RENT RECEIVED FROM A COMPANY IN WHICH RELATIVES OF DIRECTORS ARE HOLDING DIRECTORSHIP AND SHAREHOLDING**

<b>Name(s) of the related party and nature of relationship</b>	<b>Paul E-Commerce (P) Ltd., a Company in which relatives of Directors are holding Directorship and Shareholding</b>	<b>Amount for the FY 21-22 (Rs.)</b>
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving Half portion of Basement of Company owned building C-21, Pamposh Enclave, New Delhi on rent	3,33,078
<b>Duration of the contracts/ arrangements/transactions</b>	From 01/10/2018 to 30/09/2021 extended thereafter till 30/09/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>		



<b>Rate of Rent</b>	Rs. 26,689/- per month from 01.04.2021 to 30.09.2021 and Rs. 28,824/- per month w.e.f. 01.10.2021 till 31.03.2022. GST is in addition to this rate of rent is payable by the Lessee.	
<b>Annual Increase</b>	8%	
<b>Local Levies</b>	All local levies & Taxes are payable by the Lessor.	
<b>Justification for entering into such contracts or arrangements or transactions</b>	The Company has let out this portion for use of the same by the Lessee Company for its office purpose and is receiving the rent as per market rate. As such, this Transaction is justified and is in the interests of the Company.	
<b>Date(s) of approval by the Board, if any</b>	21.09.2017	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	
<b>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</b>	Not required.	

**NET SERVICE CHARGES EARNED**

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL)– Wholly Owned Subsidiary Company	Amount for the FY 21-22 (Rs.)
Nature of contracts/arrangements/ transactions	Commission earned on Domestic Money Transfer (DMT) Services	6,96,972
Duration of the contracts/ arrangements/transactions	Perpetual Distributor Agreement dated 16.11.2015 & Amendment Agreement dated 10.02.2017 vide which the Company is acting as a Distributor of Paul Merchants Finance (Pvt.) Ltd for offering DMT Services. Both the said Agreements are initially valid for One year and are extendable thereafter for successive terms of One year each, unless terminated by either party as per the terms of the Agreement.	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate	On every Transaction of DMT processed by the Company, the Company is entitled to 2/3 <sup>rd</sup> of the Gross Commission. Accordingly, a sum of Rs. 6,96,972/- has been earned by the Company as Gross Commission under this Model. Applicable GST on the income received by the respective parties is borne by themselves.	
Annual Increase	NA	
Justification for entering into such contracts or arrangements or transactions	The Company is acting as a Distributor of Paul Merchants Finance (Pvt.) Ltd for offering DMT Services and is receiving the share in gross commission, which is adding up to its revenues. As such, this Transaction is justified and is in the interests of the Company.	

<b>Date(s) of approval by the Board, if any</b>	Perpetual Distributor Agreement approved on 09.11.2015 & Amendment Agreement was approved on 09.02.2017	
<b>Amount paid as advances, if any:</b>	As mutually agreed from time to time.	
<b>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</b>	Not required.	

<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company</b>	<b>Amount for the FY 21-22 (Rs.)</b>
<b>Nature of contracts/arrangements/transactions</b>	Service charges received for INDO-NEPAL Money Transfer Services	5,94,267
<b>Duration of the contracts/arrangements/transactions</b>	Addendum dated 17.11.2018 to the Perpetual Distributor Agreement dated 16.11.2015, vide which the Company is acting as a Distributor of PMFPL for offering Indo Nepal Money Transfer Services. The said Addendum is initially valid for One year and is extendable thereafter for successive terms of One year each, unless terminated by either party as per the terms of the Agreement.	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>		
<b>Rate</b>	On every Transaction of Indo Nepal Money Transfer, the Company is entitled to 2/3 <sup>rd</sup> of the Gross Commission. A sum of Rs. 5,94,267/- has been received as commission from Paul Merchants Finance (Pvt.) Ltd on this account. Applicable GST on the income received by the respective parties is borne by themselves.	
<b>Annual Increase</b>	N/a	
<b>Justification for entering into such contracts or arrangements or transactions</b>	The Company is acting as a Distributor of Paul Merchants Finance (Pvt.) Ltd for offering Indo Nepal Money Transfer Services and is receiving the share in gross commission, which is adding up to its revenues. As such, this Transaction is justified and is in the interests of the Company.	
<b>Date(s) of approval by the Board, if any</b>	Addendum to the Perpetual Distributor Agreement dated 16.11.2015, had been approved on 13.11.2018.	
<b>Amount paid as advances, if any:</b>	As mutually agreed from time to time.	
<b>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</b>	Not required.	

**COMMISSION PAID TO WHOLLY OWNED SUBSIDIARY**

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	Amount for the FY 21-22 (Rs.)
Nature of contracts/arrangements/transactions	Commission paid in respect of travel related services offered by the PMFPL as per the Distributor Arrangement	1,37,947
Duration of the contracts/arrangements/transactions	Perpetual Distributorship Agreement dated 14.05.2019, which is valid till terminated by any party	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>		
Rate	On every transaction processed by the PMFPL pursuant to this arrangement, PMFPL is entitled to retain 70% of the total revenue earned on that transaction.	
Annual Increase	NA	
Taxes	Applicable GST on the income received by the respective parties is borne by themselves.	
Justification for entering into such contracts or arrangements or transactions	Under this arrangement, PMFPL offers travel related services as per the terms and conditions of the Distributor Arrangement, which is adding up to the revenues of the Company. As such, this Transaction is justified and is in the interests of the Company.	
Date(s) of approval by the Board, if any	14.05.2019	
Amount paid as advances, if any:	NA	
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not required.	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	Amount for the FY 21-22 (Rs.)
Nature of contracts/arrangements/transactions	Commission paid in respect of Forex related transactions referred to the Company by PMFPL as Referral Agent of the Company.	19,84,142
Duration of the contracts/arrangements/transactions	Perpetual Referral Agreement dated 06.08.2019	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>		
Rate	A commission at the rate of 70% of the margin earned by the company on every transaction referred to by PMFPL, is paid to PMFPL	
Annual Increase	N/A	
Taxes	Applicable GST on the income received by the respective parties is borne by themselves.	

<b>Justification for entering into such contracts or arrangements or transactions</b>	Under this arrangement, PMFPL refers Forex customers to the Company as per the terms and conditions of the Referral Agreement, which is adding up to the revenues of the Company. As such, this Transaction is justified and is in the interests of the Company.	
<b>Date(s) of approval by the Board, if any</b>	06.08.2019	
<b>Amount paid as advances, if any:</b>	NA	
<b>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</b>	Not required.	

**WORKING CAPITAL LIMIT ADVANCED TO WHOLLY OWNED SUBSIDIARY AND INTEREST EARNED THEREOF**

<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company</b>	<b>Amount for the FY 21-22 (Rs.)</b>
<b>Nature of contracts/arrangements/transactions</b>	Working capital limit advanced by the Company	46,93,11,479
<b>Duration of the contracts/arrangements/transactions</b>	The Working capital Limit has initial validity term of one (1) year and is automatically extended for terms of one (1) year each unless withdrawn by the lender as per its discretion.	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>		
Amount of Working Capital Limit:- Total disbursements from time to time Rs. 46,93,11,479/- and after repayments from time to time, the outstanding principal balance as on 31.03.2022 is Rs 1,84,81,61,579/-		
Rate of Interest: 10% p.a. w.e.f. 01.04.2021; 9% p.a. w.e.f. 08.06.2021 and 8% p.a. w.e.f. 01.01.2022 on balance outstanding from time to time		
Purpose of Working Capital: To Meet the working capital needs		
Tenure: Repayable on Demand		
<b>Justification for entering into such contracts or arrangements or transactions</b>	Working capital limit has been advanced by the Company to the Wholly Owned Subsidiary Company, which is used by the Latter for its business purpose and the Company earns interest income on the same. As such, this Transaction is justified and is in the interests of the Company.	
<b>Date(s) of approval by the Board, if any</b>	07.02.2019, 06.08.2019, 08.06.2021 & 10.02.2022	
<b>Amount paid as advances, if any:</b>	Working capital limit is advanced from time to time	
<b>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</b>	Not required.	

<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company</b>	<b>Amount for the FY 21-22 (Rs.)</b>
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<b>Nature of contracts/arrangements/transactions</b>	Receipt of Interest on working capital limit advanced by the Company	14,48,21,171
<b>Duration of the contracts/arrangements/ transactions</b>	The Working capital Limit has initial validity term of one (1) year and is automatically extended for terms of one (1) year each unless withdrawn by the lender as per its discretion. Interest is levied on working capital limit advanced by the Company in different tranches.	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>		
Rate of Interest: 10% p.a. w.e.f. 01.04.2021; 9% p.a. w.e.f. 08.06.2021 and 8% p.a. w.e.f. 01.01.2022 on balance outstanding from time to time		
Amount of Interest Received:- Rs. 14,48,21,171/-		
<b>Justification for entering into such contracts or arrangements or transactions</b>	Working capital limit has been advanced by the Company to the Wholly Owned Subsidiary Company, which is used by the Latter for its business purpose and the Company earns interest income on the same. As such, this Transaction is justified and is in the interests of the Company.	
<b>Date(s) of approval by the Board, if any</b>	07.02.2019, 06.08.2019, 08.06.2021 & 10.02.2022	
<b>Amount paid as advances, if any:</b>	NA	
<b>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</b>	Not required.	

**INVESTMENT MADE IN THE JOINT VENTURE**

<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Innovations LLP, a Joint Venture in which the Company holds 50% share.</b>	<b>Amount for the FY 21-22 (Rs.)</b>
<b>Nature of contracts/arrangements/transactions</b>	Investment made in the Joint Venture LLP	40,40,000
<b>Duration of the contracts/arrangements/ transactions</b>	No fixed Tenure. On 10.08.2022, the Company has decided to withdraw from this LLP.	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>		
Investment made towards the capital of the LLP as per LLP Agreement as per which the Company is a partner to the extent of 50%.		
<b>Justification for entering into such contracts or arrangements or transactions</b>	Investment have been made by the Company in the Joint Venture LLP in the form of capital contribution, which is used by the Latter for its business purpose. The Company is a 50% partner in the LLP and is entitled to 50% revenues generated by the LLP. As such, this Transaction is justified and is in the interests of the Company.	
<b>Date(s) of approval by the Board, if any</b>	25.06.2020	
<b>Amount paid as advances, if any:</b>	NA	

Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not Applicable.
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Further reference in this regard can be made to Note no. 41 of the Balance sheet, which is a part of this Annual Report.

**For & On Behalf of the Board**

**For & On Behalf of the Board**

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

**(RITESH VAID)**  
**WHOLE TIME DIRECTOR**  
 (DIN 09433856)

PLACE: CHANDIGARH  
 Date: August 10, 2022

**ANNEXURE D-6 TO THE DIRECTORS' REPORT:-**

**A. Conservation of Energy :**

- (i) Steps taken or impact on conservation of energy:- Though energy does not form a significant portion of the cost for the Company, yet wherever possible and feasible, continuous efforts are put for conservation of energy and to minimize traditional power cost. The Energy conservation measures include encouraging the use of solar lights, low power consuming apparatus, replacement of old electrical units with new energy efficient units.
- (ii) Steps taken by the company for utilising alternate sources of energy:- Wherever possible, paperless processes are adopted under Green Initiative. Staff of the Company is regularly sensitized about conservation of power and paper. The vehicles operated by the company are in compliance of all pollution control regulations.
- (iii) Capital investment on energy conservation equipments:- As the Company is in service sector, and solar systems/plants have been installed wherever possible, capital investment on energy conservation equipments is not significant to be reported.

**B. Technology Absorption:-**

- a. Efforts made towards technology absorption:- The Company continues to absorb and upgrade modern technologies in its operations and back-end support functions like Accounts, Human Resource Management, Marketing, Operations and Compliance functions.
- b. Benefits derived like product improvement, cost reduction, product development or import substitution:- The benefit derived from above steps enable 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 more competitive manner.
- c. There is no imported technology in the Company.
- d. No specific or separate expenditure incurred on Research and Development because of the nature of operations of the Company.

**C. Foreign Exchange Earnings in terms of actual inflows and Foreign Exchange Outgo during the year in terms of actual outflows:-**

	<b>2021-22</b>	<b>2020-21</b>
<b>PARTICULARS</b>	<b>Amount (Rs. In Lakhs)</b>	<b>Amount (Rs. In Lakhs)</b>
<b>Foreign Exchange Outgo</b>		
Towards Travelling Overseas	-	-
Towards Overseas Tour Packages Business	-	1.15



Towards Membership & Subscription Fee (IATA & ASTA)	0.69	1.56
Towards Advertisement Expenses	1.9	-
Towards Revenue Share for outward Remittances	290.61	133.44
<b>Total</b>	<b>293.20</b>	<b>136.15</b>
<b>Foreign Exchange Receipts</b>		
Tour Packages Business	16.44	0.59
<b>Total</b>	<b>16.44</b>	<b>0.59</b>

**For & On Behalf of the Board**

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

**For & On Behalf of the Board**

**(RITESH VAID)**  
**WHOLE TIME DIRECTOR**  
(DIN 09433856)

PLACE: CHANDIGARH  
Date: August 10, 2022

## **ANNEXURE D-7 TO THE DIRECTORS' REPORT**

### **ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22**

#### **1. A brief outline on CSR policy of the Company**

##### **Our CSR Vision**

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

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

##### **OUR CSR MISSION**

The mission of our CSR projects are to –

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

##### **PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN**

Any activity as provided in the Schedule VII of the Companies Act, 2013 as decided by the CSR Committee and the Board of Directors 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. 8.

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

<https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/CSR-Policy.pdf>

**2. Composition of CSR Committee:-**

**(As on 31.03.2022)**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation /Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>	<b>Number of meetings of CSR Committee attended during the year</b>
<b>1.</b>	Sh. Sat Paul Bansal	Chairman of the Committee/ Non-Executive Non-Independent Director	<b>4</b>	<b>3</b>
<b>2.</b>	Sh. Rajneesh Bansal	Member/ Managing Director	<b>4</b>	<b>4</b>
<b>3.</b>	Sh. Vigyan Prakash Arora	Member/ Non-Executive Independent Director	<b>4</b>	<b>4</b>

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

- CSR Committee: <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2021/07/CSR-committee-Composition-1.pdf>
- CSR Policy: <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/CSR-Policy.pdf>
- CSR Projects: <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2021/07/CSR-Projects-for-FY-2021-22.docx>

- 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):-** Not Applicable as the company is not having average CSR obligation of Rs. 10 crores or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years
- 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** **NA**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
No such amount is available for set off			

**6. Average net profit of the company as per section 135(5):** Rs. 14,72,97,296/- (Rupees Fourteen Crores Seventy Two Lakhs Ninety Seven Thousand Two Hundred Ninety Six Only)

**7. (a) Two percent of average net profit of the company as per section 135(5):-** Rs. 29,45,946/- (Rupees Twenty Nine Lakhs Forty Five Thousand Nine Hundred Forty Six Only)

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

**(c) Amount required to be set off for the financial year:** Nil

**(d) Total CSR obligation for the financial year (7a+7b-7c):** Rs. 29,45,946/- (Rupees Twenty Nine Lakhs Forty Five Thousand Nine Hundred Forty Six Only).

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
29,58,383	<b>Not required</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not required</b>	<b>Not Applicable</b>

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

1	2	3	4	5	6	7	8	9	10	11
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S.No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency		
				State	District						Name	CSR Registration number.	
Not Applicable													

(c) Details of CSR amount spent against other than ongoing projects for the financial year:-

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1.	Supply of Medical Equipment to Govt. Medical College and Hospital, Sector 32, Chandigarh	Promoting Health Care	Yes	Chandigarh	Chandigarh	2,10,000	Yes	--	--
2.	Supply of Oxygen Concentrators for Covid-19 related assistance & relief to local Dispensaries	Promoting Health Care	Yes	Chandigarh	Chandigarh	8,13,760	Yes	--	--
3.	Medical and other Items for the Healthcare projects Drugs and Wellness for All in Indigence (DAWAI), Rehabilitation at Home and Community	Promoting Health Care	Yes	Chandigarh	Chandigarh	42,826	Yes	--	--

	Treatment (RAHAT) and Doorstep Oral Screening & Testing (DOST) and at the Shelter house (Panah) being maintained by the Company at GMCH, Sector 32, Chandigarh								
4.	Running of Training Centre for providing free of cost training in Stitching & Tailoring Activities for needy Women	Promoting employment enhancing vocational skills	Yes	Punjab	Barnala	75,600	Yes	-	-
5.	Scholarship to needy Girl Students of C.L. Aggarwal DAV Model School, Sector 7-B, Chandigarh	Promoting Education	Yes	Chandigarh	Chandigarh	6,94,800	Yes	-	-
6.	Reimbursement of fuel for Two Vehicles used in and salaries of staff involved in Healthcare projects DAWAI, RAHAT and DOST projects.	Promoting Healthcare	Yes	Chandigarh	Chandigarh	9,74,922	No	Through implementing agency "Parivartan", which is a Trust registered under Indian Trust Act, based at Chandigarh	CSR00005929
7.	Electrical Fittings installed at the Shelter House (Panah) being maintained by the Company at GMCH, Sector 32, Chandigarh	Promoting Healthcare	Yes	Chandigarh	Chandigarh	6,067	Yes	-	-
<b>TOTAL</b>						<b>28,17,975</b>			

d. Amount spent in Administrative Overheads: Rs. 1,40,408/-

- e. Amount spent on Impact Assessment, if applicable: Not Applicable
- f. Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 29,58,383/-
- g. Excess amount for set off, if any: Rs. 12,437/-

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 29,45,946/-
(ii)	Total amount spent for the Financial Year	Rs. 29,58,383/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 12,437/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL (The excess amount of Rs. 12,437/- has not been considered for set off.)

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
NIL							



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

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing .
NIL								

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). **Not Applicable as no asset has been created or acquired**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

**Sd/-**

Vigyan Arora  
Independent Director, Member CSR Committee

**Sd/-**

Sat Paul Bansal  
Chairman CSR Committee

**For & On Behalf of the Board**

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

**For & On Behalf of the Board**

**(RITESH VAID)**  
**WHOLE TIME DIRECTOR**  
(DIN 09433856)

PLACE: CHANDIGARH  
Date: August 10, 2022

**Annexure D-8**

**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 copy of the same is uploaded on the website of the Company <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2017/02/PML-Code-of-Conduct.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, 2022.

**Place: CHANDIGARH  
Date: 10-08-2022**

**SD/-  
RAJNEESH BANSAL  
Managing Director  
DIN- 00077230**

## **ANNEXURE D-9**

### **REPORT ON CORPORATE GOVERNANCE**

#### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

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

#### **2. BOARD OF DIRECTORS**

##### **(a) Composition and category of Directors as on 31-03-2022:-**

Promoter Directors	3
Non-Promoter Directors	7

Executive Directors	3 (One Managing Director, Two Executive Directors)
Non- Executive Directors	7
Independent Non-Executive Directors	5
Nominee Directors	0
Institution Represented (whether as lender or as equity investor)	Not Applicable

The strength of Board was 10 (Ten) Directors as on 31<sup>st</sup> March 2022. The Board consists of 3 Promoter Directors and 7 non-Promoter Directors. Further, the Board consisted of One Managing Director, Two Executive Directors, Two non-Executive non-independent Directors and Five Non-Executive Independent Directors as on 31<sup>st</sup> March 2022.

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

Apart from the sitting fees and reimbursement of traveling expenses being paid for attending Board / Committee Meetings, the non-executive independent Directors did not have any material pecuniary relationship or transaction with the Company during the year 2021-22 or even after the close of Financial year upto the date of this report.

The Company w.e.f. 08-06-2021 has a Non Executive Chairman, appointed by the Board of Directors and the Shareholders of the Company. The Company duly meets the requirements relating to the composition of Independent and non-Independent Directors and Executive and Non Executive Directors on the Board of Directors. The Composition of the Board as on 31.03.2022 is given below:-

1	Mr. Rajneesh Bansal	Promoter, Managing Director
2	Mr. Sat Paul Bansal	Promoter, Non- Executive Non Independent Director, Chairman
3	Mrs. Sarita Rani Bansal	Promoter, Non- Executive Non Independent Director
4	Mr. Dharam Pal Sharma	Designated Whole Time Director
5	Mr. Ritesh Vaid	Designated Whole Time Director
6	Mr. Vigyan Prakash Arora	Non-Executive Independent Director
7	Mr. Ajay Arora	Non-Executive Independent Director
8	Mr. Dilbag Singh Sidhu	Non-Executive Independent Director
9	Mr. Inder Sain Negi	Non-Executive Independent Director
10	Mr. Jeewan Lal Negi	Non-Executive Independent Director

There is no nominee director representing any Institution.

**(b) The attendance of each Director at Board Meetings during FY 2021-22 and at the Last Annual General Meeting:-**

NAME	Sat Paul Bansal	Rajneesh Bansal	Sandeep Bansal	Sarita Rani Bansal	Vigyan Prakash Arora	Dilbag Singh Sidhu
CATEGORY	Chairman and Non-Executive Director (Appointed w.e.f. 08.06.2021)	Executive (Managing Director)	Non-Executive Non Independent Director (Resigned w.e.f. 18.10.2021)	Non-Executive Non Independent Director	Non-Executive Independent Director	Non-Executive Independent Director
Board Meetings attended during the year	2	4	2	4	4	4
Attendance at the last AGM held on 29.09.2021	NO	YES	NO	YES	YES	NO

NAME	Ajay Arora	Dharam Pal Sharma	Inder Sain Negi	Jeewan Lal Negi	Ritesh Vaid
CATEGORY	Non-Executive Independent Director	Designated Whole Time Director	Non-Executive Independent Director	Non-Executive Independent Director (Appointed w.e.f. 08.06.2021)	Appointed as Designated Whole Time Director w.e.f. 10.02.2022
Board Meetings attended during the year	4	4	4	3	1
Attendance at the AGM held on 29.09.2021	YES	YES	NO	YES	N/A

**(c) Number of Other Board of directors or Committees in which a Director is a Member or Chairperson**

	Directorships			Committee positions in listed and unlisted public limited Companies (including deemed public co.)	
Name of Director	In listed Companies	In unlisted public limited Companies (Including deemed public companies)	In private limited Companies (Including Section 8 Companies)	As Chairperson	As Member
Mr. Rajneesh Bansal	1	2	5	—	8
Mr. Sat Paul Bansal	1	2	3	3	1
Mr. Sarita Rani Bansal	1	-	4	—	—
Mr. Vigyan Prakash Arora	1	2	2	5	3
Mr. Dilbag Singh Sidhu	1	—	1	1	1
Mr. Ajay Arora	2	2	-	2	4
Mr. Dharam Pal Sharma	1	—	—	—	1
Mr. Inder Sain Negi	1	—	—	—	1
Mr. Jeewan Lal Negi	1	—	—	—	—
Mr. Ritesh Vaid	1	—	—	—	—



**Note:**

1. The Directorships held by Directors as mentioned above, include Directorships in the Private Limited Companies and Companies registered under Section 8 of the Companies Act, 2013, but do not include Directorships in Foreign Companies.
2. Directorships and Committee positions in listed companies include directorship and Committee positions in this Entity i.e. Paul Merchants Limited also.
3. The above information is as at 31.03.2022.
4. None of the directors holds office as a director, including as alternate director, in more than twenty Companies at the same time. None of them has directorships in more than ten public companies or Seven Listed Companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are also included.
5. As per declarations received, none of the directors serves as an Independent director in more than seven listed companies. Further, the whole-time directors in the Company do not serve as an independent director in more than three listed companies. No independent director of the Company holds the position of Whole Time Director in any Company.
6. None of the directors was a member in more than ten committees, nor a Chairman in more than five committees across all listed 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, high value debt listed entities and companies under section 8 of the Companies Act, 2013 have been excluded. For the purpose of determination of limit, chairpersonship and membership of the Audit committee and the Stakeholders' Relationship Committee alone have been considered.

**Names of the Listed Entities where the person is a director and the category of directorship as on 31-03-2022:-**

Name of Director	Name of the Listed Company	Category of directorship
Sh. Rajneesh Bansal	Paul Merchants Limited	Managing Director (Promoter)
Sh. Sat Paul Bansal	Paul Merchants Limited	Chairman and Non-Executive Non Independent Director (Promoter)
Smt. Sarita Rani Bansal	Paul Merchants Limited	Non-executive Non Independent Director (Promoter)
Sh. Vigyan Prakash Arora	Paul Merchants Limited	Non-executive Independent Director
Sh. Dilbag Singh Sidhu	Paul Merchants Limited	Non-executive Independent Director

Sh. Ajay Arora	Paul Merchants Limited,	Non-executive Independent Director
	Samrat Forgings Limited	Non-executive Independent Director
Sh. Dharam Pal Sharma	Paul Merchants Limited	Whole Time Director & Designated Director
Sh. Inder Sain Negi	Paul Merchants Limited	Non-executive Independent Director
Sh. Jeewan Lal Negi	Paul Merchants Limited	Non-Executive Independent Director
Sh. Ritesh Vaid	Paul Merchants Limited	Whole Time Director & Designated Director

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

During the Financial year 2021-22, 4 (Four) Board Meetings were held and 1 (One) Independent Directors meeting was held.

The dates on which the Board Meetings were held are:-

08-06-2021, 12-08-2021, 11-11-2021 and 10-02-2022

Independent Directors meeting was held on 11-02-2022.

During the year under review, the gap between two Board 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**

- (i) Mr. Rajneesh Bansal, Managing Director of the Company is son of Sh. Sat Paul Bansal and Mrs. Sarita Rani Bansal, Directors of the Company.
- (ii) Mrs. Sarita Rani Bansal, Non Executive Non Independent Director is the wife of Sh. Sat Paul Bansal and mother of Mr. Rajneesh Bansal, Directors of the Company.
- (iii) Mr. Sat Paul Bansal, Non Executive Non Independent Director is the Husband of Mrs. Sarita Rani Bansal and Father of Mr. Rajneesh Bansal, Directors of the Company.
- (iv) No other directors are related to each other in any manner.

The above information is as on 31-03-2022.

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

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

- Mrs. Sarita Rani Bansal:- She held 345600 (33.62%) Equity Shares in the Company as on 31.03.2022. She does not hold any shares in the Company on beneficial basis.
- Mr. Sat Paul Bansal:-He held 5240 (0.51%) Equity Shares in the Company as on 31.03.2022. He does not hold any shares in the Company on beneficial basis.
- There is no other non-executive non-independent director of the Company

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

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

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

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

Your Company follows a structured orientation and familiarization programme through various programs / presentations for Independent Directors with a view to update them on all the matters concerning the Company. Periodic presentations are made at the Board Meetings on nature of the industry in which the Company operates, business model, roles, rights, responsibilities of independent directors, Company's strategy, operations, product offerings and such other areas as may arise from time to time. The details of familiarisation programme policy has 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 Financial Year 2021-22 have been posted under the web link: <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/FP-imparted-FY-2021-22.pdf>

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

<b>Core skills/expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively</b>	<b>Those actually available with the board</b>
<ol style="list-style-type: none"> <li>1. Ability to understand Financial Markets especially Forex Markets</li> <li>2. Ability to understand Regulatory/Statutory framework applicable to the Company</li> <li>3. Quick decision making</li> <li>4. Understanding of Company's business verticals</li> <li>5. Experience in developing policies and processes relating to corporate governance</li> <li>6. Leaderships skills for guiding the management team</li> <li>7. Ability to formulate long term and short term business strategies</li> <li>8. Ability to understand Financial Statements</li> </ol>	<p>As per the Board, all these skills/expertise/ competencies are available with the Board as per chart given below</p>

Names of directors as on 31.03.2022, who have such skills / expertise / competence:-

<b>1. Ability to understand Financial Markets especially Forex Markets</b>	Mr. Rajneesh Bansal, Mr. Sat Paul Bansal, Mr Vigyan Prakash Arora, Mr. Ajay Arora, Mr. Dilbag Singh Sidhu, Mr. Dharam Pal Sharma, Mr. Ritesh Vaid, Mr. Jeewan Lal Negi and Mr. Inder Sain Negi
<b>2. Ability to understand Regulatory/Statutory framework applicable to the Company</b>	Mr. Rajneesh Bansal, Mr. Sat Paul Bansal, Mr Vigyan Prakash Arora, Mr. Ajay Arora, Mr. Dilbag Singh Sidhu, Mr. Dharam Pal Sharma, Mr. Ritesh Vaid, Mr. Jeewan Lal Negi and Mr. Inder Sain Negi
<b>3. Quick decision making</b>	All the 10 directors of the Company

<b>4. Understanding of Company's business verticals</b>	All the 10 directors of the Company
<b>5. Experience in developing policies and processes relating to corporate governance</b>	Mr. Sat Paul Bansal, Mr. Rajneesh Bansal, Mr. Ajay Arora, Mr Vigyan Prakash Arora, Mr Jeewan Lal Negi and Mr. Inder Sain Negi
<b>6. Leaderships skills for guiding the management team</b>	All the 10 directors of the Company
<b>7. Ability to formulate long term and short term business strategies</b>	Mr. Sat Paul Bansal, Mr. Rajneesh Bansal, Mr Vigyan Prakash Arora, Mr. Ritesh Vaid and Mr. Ajay Arora
<b>8. Ability to understand Financial Statements</b>	Mr. Rajneesh Bansal, Mr. Sat Paul Bansal, Mr Vigyan Prakash Arora, Mr. Ajay Arora, Mr. Dilbag Singh Sidhu, Mr. Dharam Pal Sharma, Mr. Ritesh Vaid, Mr. Jeewan Lal Negi and Mr. Inder Sain Negi

**(i) CONFIRMATION BY THE BOARD REGARDING INDEPENDENT DIRECTORS**

The Board of Directors do hereby confirm that in the opinion of the board, the independent directors fulfill the conditions specified vide SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per Companies Act, 2013 and are independent of the management.

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

There was no Independent director who resigned during the year under review before the expiry of his/her term.

### **3. AUDIT COMMITTEE**

#### **a. Terms of Reference of Audit Committee:**

This Committee has been constituted in compliance with Section 177 of the Companies Act, 2013 read along with the applicable Rules thereto and Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time. Any amendment in the said Acts/Regulations at any point of time in future shall be automatically deemed to be incorporated herein.

#### **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
5. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
6. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of the Act or referred to it by the Board or mandated under the Act or the Listing Regulations, from time to time and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company
7. The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote

#### **Role of Audit Committee**

The role of the audit committee shall include the following:

- A. 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; provided that only those members of the audit committee, who are independent directors, shall approve related party transactions;
  - (9) scrutiny of inter-corporate loans and investments;
  - (10) valuation of undertakings or assets of the Company, 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 Vigil Mechanism/Whistle Blower Mechanism;
  - (19) to approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

- (20) To grant omnibus approval for related party transactions proposed to be entered into by the listed entity subject to the conditions as laid down in Listing Regulations and the Act, if any
- (21) To review the utilization of loans and/ or advances from/investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (22) To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders
- (23) In case of transaction, other than transactions referred to in section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board
- (24) In case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee
- (25) To carry out any other function as is entrusted to it by the Board of Directors of which has been mandated under the Law.

**B. The audit committee shall mandatorily review the following information:**

- 1. management discussion and analysis of financial condition and results of operations;
- 2. management letters / letters of internal control weaknesses issued by the statutory auditors;
- 3. internal audit reports relating to internal control weaknesses; and
- 4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- 5. 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**

- a. The audit committee shall have minimum three directors as members.
- b. At least Two-thirds of the members of audit committee shall be independent directors.
- c. All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise in the light of explanation given in the SEBI Regulations. Majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statement
- d. The chairperson of the audit committee shall be an independent director and he shall be present at Annual general meeting to answer shareholder queries
- e. The Company Secretary shall act as the secretary to the audit committee
- f. The audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee. Provided that occasionally the audit committee may meet without the presence of any executives of the listed entity.

**Meetings of the audit committee**

Meetings of the Audit Committee shall be conducted in the following manner:

- a. The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.

- b. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.
- c. The audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

Sd/-  
Chairman  
12-05-2022

**b. Composition of Audit Committee, Name Of Members And Chairperson:-**

As on 31.03.2022, the Audit Committee of the Company comprises of 3 non-executive Independent Directors, who are well qualified and financially literate. Following is the composition of the Audit Committee:

Shri Vigyan Prakash Arora	Non Executive Independent Director, Chairman
Shri Dilbag Singh Sidhu	Non Executive Independent Director, Member
Shri Ajay Arora	Non Executive Independent Director, Member
Sh. Hardam Singh	Company Secretary, Secretary to the Committee

Mr. Vigyan Prakash Arora is the Chairman who has relevant Accounts and related financial management expertise as well as qualification. Mr. Dilbag Singh Sidhu and Mr. Ajay Arora are other two members. All members of audit committee are financially literate.

The Company Secretary acts as a Secretary of the Committee.

**c. Meetings of Audit Committee and attendance during the year 2021-22**

4 meetings of the Audit Committee have been held during the year 2021-22 on the following dates:

07.06.2021, 11.08.2021, 10.11.2021 and 09.02.2022.

The attendance at the Audit Committee Meetings during the Financial Year 2021-22 is given below:

<b>Name</b>	<b>Title</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Mr. Vigyan Prakash Arora	Non Executive Independent Director, Chairman	4	4
Mr. Dilbag Singh Sidhu	Non Executive Independent Director, Member	4	4
Mr. Ajay Arora	Non Executive Independent Director, Member	4	4
Mr. Hardam Singh	Secretary	4	4

#### **4. NOMINATION AND REMUNERATION COMMITTEE**

##### **(a) TERMS OF REFERENCE**

- a.** To formulate and recommend to the Board, a Nomination and Remuneration Policy of the Company as per the Companies Act, 2013, applicable RBI Guidelines and Regulation 19(4) of Listing Regulations, as amended from time to time.
- b.** To recommend addition/modification to the Nomination & Remuneration Policy to the Board from time to time.
- c.** To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration for the directors, Key Managerial Personnel and other employees as per the Companies Act, 2013, applicable RBI Guidelines and Regulation 19(4) of Listing Regulations, 2015, as amended from time to time
- d.** To formulate criteria for evaluation of performance of independent directors and the board of directors
- e.** To devise a policy on diversity of board of directors
- f.** To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and to specify the manner for effective evaluation of performance of Board, its committees and individual directors

to be carried out either by the Board or by Nomination and Remuneration Committee or by an independent external agency and to review its implementation and compliance

- g.** To recommend whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors
- h.** To recommend to the Board, appointment and removal of Directors, KMPs and Senior Management Personnel.
- i.** To recommend to the board, all remuneration, in whatever form, payable to senior management
- j.** To oversee familiarisation programmes for directors.
- k.** To perform such other duties and responsibilities as may be consistent with the provisions of the Companies Act, Listing Regulations or any applicable Statute as the Committee may deem appropriate after the approval of the Board or as may be directed by the Board from time to time.

**(b) COMPOSITION, NAMES OF MEMBERS AND CHAIRPERSON:-**

Following was the composition of the Nomination and Remuneration Committee as on 31-03-2022:

Sh. Dilbag Singh Sidhu	Non Executive Independent Director, Chairman
Sh. Inder Sain Negi	Non Executive Independent Director, Member
Shri. Vigyan Prakash Arora	Non Executive Independent Director, Member
Sh. Hardam Singh	Company Secretary, Secretary to the Committee

**(c) Meetings and Attendance during the year**

During the Financial year 2021-22, 6 (Six) meetings of the Nomination and Remuneration Committee were held on:-

28-04-2021, 25-05-2021, 22-06-2021, 28-07-2021, 28-10-2021 and 09-02-2022

The attendance at the Nomination and Remuneration Committee Meetings during the Financial year 2021-22 is given below:

<b>Name</b>	<b>Title</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Mr. Dilbag Singh Sidhu	Non-Executive Independent Director, Chairman	6	6
Mr. Sandeep Bansal (Remained member of the Committee upto 30.06.2021)	Non-Executive Director, Member	6	3
Mr. Vigyan Prakash Arora	Non-Executive Independent Director, Member	6	6
Mr. Inder Sain Negi (Became member of the Committee w.e.f. 01.07.2021)	Non-executive Independent Director, Member	6	3
Mr. Hardam Singh	Company Secretary, Secretary to the Committee	6	6

**(d) PERFORMANCE EVALUATION CRITERIA FOR 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 as per Chart given in the Nomination and Remuneration Policy and contribution to strategy formulation
- v. Contribution towards statutory compliances, monitoring of controls and Corporate Governance
- vi. The evaluation of independent directors shall be done by the entire board of directors which shall include –
  - (a) Performance of the directors; and
  - (b) fulfillment of the independence criteria as specified in the Companies Act and Listing Regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.



**(e) NOMINATION AND REMUNERATION POLICY:**

The Nomination and Remuneration Policy of the Company is already attached as Annexure D-1 to the Directors' Report.

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

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

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

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

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

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

[investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net) and [cs@paulmerchants.net](mailto: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 either directly or through its RTA or through SEBI SCORES platform during the year under review.

**(d) Number of complaints not solved to the satisfaction of shareholders - NIL****(e) Number of shareholders' complaints pending - NIL****(f) Composition:**

Following is the composition of the Stakeholders' Relationship Committee as on 31-03-2022:-

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

During the Financial year 2021-22 under review, 4 meetings of the Stakeholders' Relationship Committee were held on:

27.04.2021, 27.07.2021, 27.10.2021 and 22.01.2022

The attendance at the Stakeholders' Relationship Committee Meetings during the Financial year 2021-22 is given below:-

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Vigyan Prakash Arora	Non- Executive Independent Director, Chairman	4	4
Mr. Sat Paul Bansal (Became member of the committee w.e.f. 01.07.2021)	Chairman & Non-Executive Director (Appointed a such w.e.f. 08.06.2021)	4	3
Mr. Rajneesh Bansal	Managing Director, Member	4	4
Mr. Sandeep Bansal (Remained member of the Committee upto 30.06.2021)	Non- Executive Non Independent Director, Member	4	1
Mr. Hardam Singh	Secretary	4	4

**5A Risk Management Committee:-**

The company was not required to constitute a Risk Management Committee in terms of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year under review, because the Company is not among top 1000 listed entities, determined on the basis of market capitalisation, as at the end of the immediate previous financial year i.e. as on 31-03-2021.

## 6. REMUNERATION OF DIRECTORS

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

#### **Non-Executive Non Independent Directors:-**

1. **Mr. Sandeep Bansal :-** He remained Director of the Company till 18-10-2021. No Sitting fee was paid to him and there is no pecuniary relationship or transactions of Mr. Sandeep Bansal with the Company during the year under review.
2. **Mrs. Sarita Rani Bansal:-** No Sitting fee was paid to her and there is no pecuniary relationship or transactions of Mrs. Sarita Rani Bansal with the Company during the year under review.
3. **Mrs. Sat Paul Bansal:-** No Sitting fee was paid to him. Travel products were sold to him worth Rs. 31500/- during the year under review, which was not in the nature of any contract or arrangement and the transaction was in the ordinary course of business of the Company on market rates. There is no other pecuniary relationship or transactions of Mr. Sat Paul Bansal with the Company during the year under review.

#### **Non-Executive Independent Directors:-**

A sum of Rs. 4,01,250/- has been paid to Non Executive Independent Directors as their sitting fee during the year 2021-22 (before TDS) as per details given below:

<b>NAME</b>	<b>SITTING FEE (In Rs.)</b>
Sh. Dilbag Singh Sidhu	90,000
Sh. Vigyan Prakash Arora	81,250
Sh. Ajay Arora	1,25,000
Sh. Inder Sain Negi	60,000
Sh. Jeewan Lal Negi	45,000
<b>Total</b>	<b>4,01,250</b>

The Company has not entered into any pecuniary relationship or 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 under review. However, actual expenses incurred by them for attending the Board Meetings and Committee meetings, wherever applicable, were re-imbursed to them.

Shares held by non-executive directors as on 31-03-2022 are given below:-

NAME	No. of Shares
Sh. Sat Paul Bansal	5240
Sh. Sandeep Bansal (Resigned w.e.f. 18-10-2021)	Nil
Smt. Sarita Rani Bansal	345600
Sh. Dilbag Singh Sidhu	Nil
Sh. Vigyan Prakash Arora	Nil
Sh. Ajay Arora	Nil
Sh. Inder Sain Negi	Nil
Sh. Jeewan Lal Negi	Nil
<b>Total</b>	<b>350840</b>

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

The non-executive non independent Directors do not draw any remuneration from the Company and non-executive independent Directors are paid 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 the outstation Independent Directors for attending the Board/Committee Meetings, if any, are reimbursed to them. The sitting fee is fixed as per the experience, qualifications of the respective Independent Directors.

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

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

Remuneration paid to the Executive Directors and KMPs of the Company during the Financial year 2021-22 is as under:-

**Mr. Rajneesh Bansal, Managing Director**

**Salary:-** Remuneration of Rs. 1,44,00,000/- has been paid to him @ Rs. 12.00 Lakhs per month in the form of salary during the Financial Year under review. In addition, rent free accommodation has also been provided to him by the Company valued at Rs. 34,56,742/- for the year under review, which includes payment of Utility bills in the said accommodation on actual usage basis.

**Commission:-** A sum of Rs. 85,00,000/- has been paid to him as Commission for the Financial Year under review.

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

**Service Contract period:-** His Service Contract period is 5 years i.e. from 01-04-2020 till 31.03.2025

**Remuneration period** :- 3 years i.e. from 01-04-2020 till 31-03-2023. The same is proposed to be revised as from 01-04-2022 till 31-03-2025 in the ensuing Annual General Meeting

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

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

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

**Performance Linked Incentive:-**

Commission payable to the Managing Director is performance linked as the same is based upon the profits of the Company and is paid to him as decided by the Nomination and Remuneration Committee.

**Performance Criteria:-**

The performance criteria is as defined in the Nomination and Remuneration policy of the company.

**Stock Option Details:-** No Stock Options has been given to him. He holds 294253 (28.62%) equity shares in the Company as on 31.03.2022. He does not hold any shares in the Company on beneficial basis.

The performance of the Managing Director was evaluated by the Nomination and Remuneration Committee, Board of Directors and also by the Independent Directors in their separate Meeting during the year under review. The criteria for evaluation has been disclosed separately in the Directors' Report as well as in the Nomination and Remuneration Policy annexed to this Report as **Annexure D-1**.

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-5** to the Directors Report. Travel products were sold to him worth Rs. 4405/- during the year under review, which was not in the nature of any contract or arrangement and the transaction was in the ordinary course of business of the Company on market rates. There is no other pecuniary relationship or transactions of Mr. Rajneesh Bansal with the Company.

Further, the Remuneration proposed to be paid to Mr. Rajneesh Bansal w.e.f. 01.04.2022 is as per the details set out in the Special Resolution at Item No. 5 of the Notice of the ensuing Annual General Meeting.

### **Sh. Dharam Pal Sharma, Designated Whole Time Director**

**Salary:-** Salary amounting to Rs. 8,95,236/- has been paid to him for the Financial Year under review.

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

**Benefits:-** In addition to the above mentioned salary, Performance Bonus of Rs. 32,520/- for the FY 2021-22 shall be paid to him at the time of Diwali, 2022 and Leave Encashment of Rs. 19,512/- has been paid to him for the year under review. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him for the year under review.

**Service Contract period:-** 5 years i.e. from 01-04-2020 till 31-03-2025

**Remuneration period :-** 3 years i.e. from 01-04-2020 till 31-03-2023

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

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

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

**Performance Linked Incentive:-**

In addition to the above mentioned salary and other benefits, a performance linked Incentive of Rs. 84,000/- has been paid to him for the year under review.

**Performance Criteria:-**

The performance criteria is as defined in the Nomination and Remuneration policy of the company.

The performance of Sh. Dharam Pal Sharma was evaluated by the Nomination and Remuneration Committee, Board of Directors and also by the Independent Directors in their separate Meeting. The criteria for evaluation has been disclosed separately in the Directors' Report as well as in the Nomination and Remuneration Policy annexed to this Report as **Annexure D-1**.

**Stock Option Details:-** No Stock Options has been given to him. He holds NIL Equity shares in the Company either in his own name or on beneficial basis.

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 during the year under review.

The above figures are before TDS.

Sh. Dharam Pal Sharma has resigned from the Board w.e.f. 10-08-2022.

**Sh. Ritesh Vaid, Designated Whole Time Director (appointed w.e.f. 10.02.2022)**

**Salary:-** Salary amounting to Rs. 2,75,855/- has been paid to him in the Financial Year under review after becoming Director.

**Commission:-** No commission has been paid to Sh. Ritesh Vaid, Designated Whole Time Director for the year under review.



**Benefits:-** In addition to the above mentioned salary, Performance Bonus of Rs. 1,03,518/- for the FY 2021-22 shall be paid to him at the time of Diwali, 2022, which is the amount payable to him for the whole Financial Year 2021-22 including the period when he was associated with the Company as Country Head (Foreign exchange and International Money Transfer Division) till 09-02-2022. Leave Encashment of Rs. 62,135/- has been paid to him for the full financial year under review. Further, a sum of Rs. 15,946/- has been paid to him as Helper Allowance during the financial year under review as reimbursement of actual expenses. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him for the year under review.

**Service Contract period:-** From 10.02.2022 till 30.09.2026

**Remuneration period :-** From 10.02.2022 till 31.01.2025

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

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

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

**Performance Linked Incentive:-**

In addition to the above mentioned salary and other benefits, a performance linked Incentive of Rs. 12,925/- has been paid to him for the year under review.

**Performance Criteria:-**

The performance criteria is as defined in the Nomination and Remuneration policy of the company.

Sh. Ritesh Vaid has been appointed on the Board of Directors of the Company only on 10-02-2022. His candidature has been evaluated by the Nomination and Remuneration Committee and Board of Directors. His performance shall be evaluated at the appropriate time. The criteria for evaluation has been disclosed separately in the Directors' Report as well as in the Nomination and Remuneration Policy annexed to this Report as **Annexure D-1**.

**Stock Option Details:-** No Stock Options has been given to him. He holds NIL Equity shares in the Company either in his own name or on beneficial basis.

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

There is no other pecuniary relationship or transactions of Mr. Ritesh Vaid with the Company during the year under review, after becoming Designated Director of the Company. Before his appointment as a Designated Director, he was working in the Company as Country Head (Foreign exchange and International Money Transfer division) till 09.02.2022 and was paid remuneration as per following details for the period from 01.04.2021 till 09.02.2022:-

**Salary:-** Salary amounting to Rs. 16,96,213/- has been paid to him for the said period.

**Commission:-** No commission has been paid to Sh. Ritesh Vaid for the said period.

**Benefits:-** In addition to the above mentioned salary, a sum of Rs. 98,054/- has been paid to him as Helper Allowance as reimbursement of actual expenses for the said period. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him for the for the said period.

**Performance Linked Incentive:-**

In addition to the above mentioned salary and other benefits, a performance linked Incentive of Rs. 79,475/- has been paid to him for the said period.

All the above figures are before TDS.

## **KEY MANAGERIAL PERSONNEL**

### **Mrs. Bhupinder Kaur (CFO till 08-02-2022)**

**Salary:-** Gross Salary amounting to Rs. 13,99,453/- has been paid to her for the Financial Year under review, which includes Employer's contribution towards Provident Fund and National Pension Fund.

**Commission:-** No commission has been paid to her for the year under review.

**Benefits:-** In addition to the above mentioned salary, Leave Encashment of Rs. 27,670/- has been paid to her during the year under review. As she has resigned from her post w.e.f. 08-02-2022, a sum of Rs. 1,80,920/- has been paid to her as Gratuity at the time of her relieving. Further, a sum of Rs. 97,533/- has been paid to her as Helper Allowance and Rs. 41,067/- as Uniform Allowance during the financial year under review as reimbursement of actual expenses. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to her for the year under review.

**Service Contract period:-** There is no fixed Service Contract period for her and she has already resigned from her post w.e.f. 08-02-2022.

**Notice Period:-** Her Notice Period was Two months, which was waived off on her request at the time of her relieving.

**Severance Fees:-** No severance fees has been paid to her.

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

**Performance Linked Incentive:-**

In addition to the above mentioned salary and other benefits, Performance Bonus of Rs. 47,415/- has been paid to her for the year under review.

**Performance Criteria:-**

The performance criteria is as defined in the Nomination and Remuneration policy of the company.

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

**Stock Option Details:-**

No Stock Options has been given to her. She held NIL equity shares in the Company either in her own name or on beneficial basis.

There are no convertible instruments issued by the Company, as such her holding in this regard was NIL.

There was no other pecuniary relationship or transactions of Chief Financial Officer with the Company during the year under review.

The above figures are before TDS.

**Mr. Rajesh Garg (Appointed as CFO w.e.f. 10.02.2022)**

**Salary:-** Gross Salary amounting to Rs. 2,23,196/- has been paid to him as Chief Financial Officer after his appointment as such in the Financial Year 2021-22, which includes Employer's contribution to National Pension Fund.

**Commission:-** No commission has been paid to Mr. Rajesh Garg, Chief Financial Officer for the year under review.

**Benefits:-** In addition to the above mentioned salary, Performance Bonus of Rs. 10,058/- for the FY 2021-22 shall be paid to him at the time of Diwali, 2022 and Leave Encashment of Rs. 6,037/- has been paid to him for the year under review. Further, a sum of Rs. 25,000/- has been paid to him as Helper Allowance and Rs. 13,000/- as Uniform Allowance during the financial year under review as reimbursement of actual expenses. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him for the year under review.

**Service Contract period:-** There is no fixed Service Contract period for him.

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

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

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

**Performance Linked Incentive:-**

In addition to the above mentioned salary and other benefits, a performance linked Incentive of Rs. 15,150/- has been paid to him for the year under review.

The above figures are before TDS.

**Performance Criteria:-**

The performance criteria is as defined in the Nomination and Remuneration policy of the company.

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

**Stock Option Details:-**

No Stock Options has been given to him. He holds NIL equity shares in the Company either in his own name or on beneficial basis.

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

There is no other pecuniary relationship or transactions of Mr. Rajesh Garg with the Company during the year under review.

**Mr. Hardam Singh (Company Secretary)**

**Salary:-** Gross Salary amounting to Rs. 25,40,076/- has been paid to him for the Financial Year 2021-22, which includes Employer's share towards Provident Fund and contribution towards National Pension Fund.

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

**Benefits:-** In addition to the above mentioned salary, Performance Bonus of Rs. 79,000/- for the FY 2021-22 shall be paid to him at the time of Diwali, 2022. Leave Encashment of Rs. 47,400/- and Annual Leave Travel Concession of Rs. 2,00,000/- has been paid to him for the year under review. Further, a sum of Rs. 1,92,000/- has been paid to him as Helper Allowance and Rs. 78,000/- as Uniform Allowance during the financial year under review as reimbursement of actual expenses. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him for the year under review.

**Service Contract period:-** There is no fixed Service Contract period for him.

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

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

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

**Performance Linked Incentive:-**

In addition to the above mentioned salary and other benefits, a performance linked Incentive of Rs. 5,76,000/- has been paid to him for the year under review.

The above figures are before TDS.

**Performance Criteria:-**

The performance criteria is as defined in the Nomination and Remuneration policy of the company.

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

**Stock Option Details:-** No Stock Options has been given to him. He holds NIL equity shares in the Company either in his own name or on beneficial basis.

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 during the year under review.

#### **6-A. EXECUTIVE COMMITTEE**

##### **COMPOSITION:**

An Executive Committee of the Board has been formed to look after day to day affairs of the Company as per Terms of Reference defined by the Board.

Following is the composition of the Executive Committee as on 31-03-2022:-

Sh. Sat Paul Bansal	Non Executive Director, Chairman
Sh. Rajneesh Bansal	Managing Director, Member
Sh. Dharam Pal Sharma	Designated Whole Time Director, Member
Sh. Hardam Singh	Company Secretary, Secretary to the Committee

With the resignation of Sh. Dharam Pal Sharma, the Committee has been reconstituted w.e.f. 11.08.2022 as given below:-

Sh. Sat Paul Bansal	Non Executive Director, Chairman
Sh. Rajneesh Bansal	Managing Director, Member
Sh. Ritesh Vaid	Designated Whole Time Director, Member
Sh. Hardam Singh	Company Secretary, Secretary to the Committee

During the year under review, 11 meetings of the Executive Committee were held on:

22.04.2021, 20.05.2021, 23.06.2021, 19.07.2021, 27.08.2021, 12.10.2021, 18.11.2021, 20.12.2021, 21.01.2022, 27.01.2022 & 11.03.2022

The attendance at the Executive Committee Meetings during the period from 01.04.2021 till 31.03.2022 is given below:-

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Sat Paul Bansal (Became member and Chairman of the Committee w.e.f. 01.07.2021)	Chairman cum Non-Executive Director (Appointed w.e.f. 08.06.2021), Chairman of the Committee	11	8
Mr. Rajneesh Bansal	Managing Director, Member	11	11
Mr. Dharam Pal Sharma	Designated Whole Time Director, Member	11	11
Mrs. Sarita Rani Bansal (Remained member of the Committee upto 30.06.2021)	Non-Executive Non Independent Director, Member	11	3
Mr. Hardam Singh	Company Secretary, Secretary to the Committee	11	11

#### **6-B. CORPORATE SOCIAL RESPONSIBILITY**

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

#### **COMPOSITION:**

Following is the composition of the CSR Committee as on 31-03-2022:-

1	Sh. Sat Paul Bansal	Non Executive Non Independent Director, Chairman
2	Sh. Rajneesh Bansal	Managing Director, Member
3	Sh. Vigyan Prakash Arora	Non Executive Independent Director, Member
4	Sh. Hardam Singh	Company Secretary, Secretary to the Committee

During the year 2021-22, 4 meetings of the CSR Committee were held on:

26.04.2021, 26.07.2021, 26.10.2021 and 21.01.2022



The attendance at the CSR Committee Meetings during the Financial Year 2021-22 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Sandeep Bansal (Remained member of the Committee upto 30.06.2021)	Non-Executive Independent Director, Chairman (Resigned w.e.f. 18.10.2021)	4	1
Mr. Rajneesh Bansal	Managing Director, Member	4	4
Mr. Vigyan Prakash Arora	Non-Executive Independent Director, Member	4	4
Mr. Sat Paul Bansal (Became member of the committee w.e.f. 01.07.2021)	Chairman cum Non-Executive Director (Appointed w.e.f. 08.06.2021), Chairman of the Committee	4	3
Mr. Hardam Singh	Secretary	4	4

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

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **INTRODUCTION**

For us at Paul Merchants Ltd (“PML”), reaching out to underserved communities is part of our rich culture. We believe in the trusteeship concept. We believe, we will be a more satisfied corporate when we operate according to the highest ethical standards, address unmet social needs, function with compassion and promote the 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 Companies (Corporate Social Responsibility Policy) Rules as amended from time to time.
2. The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the said Act.

## **DEFINITIONS**

- a. 'Act' means the Companies Act, 2013.
- b. 'Board' means the Board of Directors of the company;
- c. 'Corporate Social Responsibility (CSR)' means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely: -
  - i. activities undertaken in pursuance of normal course of business of the company:

- ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
  - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
  - iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
  - v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
  - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- d. 'CSR Committee' means the committee constituted under the provisions of Section 135 of the Act;
- e. "CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time.

Terms not defined hereinabove shall have similar meaning as defined under the Act read with CSR Rules.

Please note that meaning/definition of the words/ abbreviations used in this policy shall have the same meaning as defined under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

### **CSR BUDGET**

In Compliance with the provisions of Section 135 of the Act read with the rules made thereunder, the CSR Committee will recommend the annual budgeted expenditure to the Board as a part of the Annual Action Plan, for its consideration and approval for any Financial Year.

### **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 Act read over with Section 2(h) of the Rules, during the three immediate preceding financial years.

- c. approving the Annual Action Plan for any financial year
- d. ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively
- e. regularly monitoring the implementation of CSR policy.
- f. Such other things/matters as may be required under the Act read with the rules made thereunder.

### **CSR COMMITTEE**

- I. **Composition:** The committee will consist of three or more directors out of which, at least one will be an independent director.

The Board can reconstitute the committee in case of any resignation or appointment of any new member in accordance with the provisions of the Act read with CSR Rules.

- II. The CSR committee will be responsible for:-

- a. Formulating the CSR policy in compliance to Section 135 of the Act
- b. Identifying activities to be undertaken as per Schedule VII of the Act
- c. Formulating and Recommending to the Board an Annual Action Plan on CSR including CSR Budget
- d. Monitoring the CSR Policy and recommending to Board, modifications to the CSR policy as and when required.
- e. Regularly monitoring the implementation of the CSR policy
- f. Supervising the implementation of the CSR activities carried out by the Company
- g. Such other things/matters as may be required under the Act read with the rules made thereunder or delegated by the Board from time to time.

### **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 more details are listed under guiding principles for monitoring of CSR activities.

### **SURPLUS**

Surplus arising out of CSR activities carried out by the company will not be part of business profit of the company and it shall be treated in the following manner:

- a. ploughed back into the same project; or
- b. shall be transferred to the Unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan of the Company; or
- c. such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.

### **CFO CERTIFICATE**

An Annual Certificate from Chief Financial Officer of the Company shall be placed before the CSR Committee as well as the Board of Directors of the Company in the first meeting held after close of Financial Year in terms of Rule 4(5) of the Rules.

### **GUIDING PRINCIPLES FOR SELECTION, IMPLEMENTATION AND MONITORING OF ACTIVITIES**

The Company shall follow the following guiding principles for selection, implementation and monitoring of CSR Activities as well as formulation of the Annual Action Plan:

#### **a. Guiding principles for selection of CSR initiatives:-**

- (i) CSR Committee shall recommend to the Board, the activities to be undertaken by the Company.
- (ii) The power to approve CSR activities shall vest with the Board of Directors of Paul Merchants Ltd
- (iii) All activities will be identified in an objective manner keeping in mind the ultimate beneficiaries and gauging their basic needs.
- (iv) CSR initiatives may also be taken to supplement the Central/ State Govt. Schemes
- (v) Preference shall be given to local area where the Company has its operations or has its offices or branches;
- (vi) The Company shall undertake CSR Activities only in pursuance of its CSR policy and in areas or subjects which are listed in Schedule VII of the Act as may be amended from time to time. The CSR Committee, from time to time shall choose activities out of the list to be undertaken under this policy, while recommending the Annual Action Plan and annual CSR Budget
- (vii) CSR Projects or programs or activities undertaken in India only shall be accounted as CSR Expenditure

- (viii) The Company shall not discriminate on any grounds whatsoever, including race, gender, age, ethnicity, caste, religion, domicile in implementation of its CSR activities but it may focus its CSR Activities to benefit the economically or socially weaker, or marginalised sections, of the society.
- (ix) The Company shall endeavour to maintain transparency in selection, implementation, monitoring and reporting of CSR Activities.

**b. Guiding principles for implementation of CSR initiatives:-**

- (i) The Company shall ensure that all CSR Activities undertaken directly or indirectly, meet applicable standards of quality followed by Company and/or are the market standard for such activities.
- (ii) The activities which can be implemented by PML either directly or by engaging Contractors for infrastructural development shall be taken up by PML
- (iii) The activities which cannot be taken up directly by PML because of its nature, size and other limitations, shall be considered for implementation through implementing agencies, provided that the implementing agency conforms to the eligibility criteria as specified in the CSR Rules and have relevant experience and good credentials. PML may also collaborate with internationally/nationally reputed Foundations / Organizations.
- (iv) The Company shall ensure that all the CSR Activities are implemented as per the Annual Action Plan approved by the Board.
- (v) Where ongoing projects are implemented, the Board while approving the project shall lay down the total budget including year wise allocations, timelines, and manner of execution etc.
- (vi) The Board may approve CSR expenditure beyond the statutory limits as voluntary budget during any financial year.

**c. Guiding principles for monitoring of CSR initiatives:-**

- (i) Monitoring of CSR projects may go concurrently with implementation, to assess if the progress is on expected lines and as per budgeted.
- (ii) Like implementation, monitoring too shall be done in project mode with continuous feedback mechanism, for mid-course correction in implementation, whenever required.
- (iii) Monitoring shall be performed by CSR Committee, which can designate a team of PML officials for this task to help mid-course correction, if required. CSR Committee can also engage the service of external agencies to monitor the implementation of CSR projects
- (iv) In compliance with the Act and to ensure that funds spent on CSR projects are creating the desired impact on the ground, the CSR Committee may implement a

comprehensive Monitoring and Reporting framework, wherein the expenditure heads, geography covered, periodicity and distribution of expenditure over various heads may be monitored on regular basis.

- (v) the Board of the Company shall mandatorily disclose the composition of the CSR Committee, CSR Policy and Projects approved by the Board on the website of the Company, for public access.
- (vi) Any surplus arising out of the CSR activities shall not form part of the business profit of a company.

**d. Guiding principles for formulation of Annual Action Plan**

Every year, the CSR Committee of the Company shall formulate and recommend to the Board an Annual Action Plan in pursuance of its CSR policy, which shall include the following, namely: -

- (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (ii) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (iv) monitoring and reporting mechanism for the projects or programmes; and
- (v) details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

**PUBLICATION OF CSR POLICY**

As per the CSR Rules, the contents of the CSR Policy shall be included in the Director's Report as per the prescribed format under the Rules and same shall be displayed on the Company's website. Further details of CSR projects will be displayed on the website of the Company.

**REVIEW**

The CSR Committee or the Board may from time to time review the CSR Policy and suggest suitable modifications, as may be required.



**Sd/-**  
**(RAJNEESH BANSAL)**  
**MANAGING DIRECTOR**

A Report on the CSR is already attached as **Annexure D-7** to the Directors Report.

## **7. GENERAL BODY MEETINGS**

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

<b>YEAR</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Type of Meeting	AGM	AGM	AGM
Date	30.09.2019	29.09.2020	29.09.2021
Venue	Forever Banquet, 20, Paschim Vihar Extension, Metro Pillar No. 193, Opp. Ordinance Depot, New Delhi – 110063	Meeting held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	Meeting held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Time	12.00 Noon	12.00 Noon	12.00 Noon

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

Details of the Special Resolutions passed in the last three Annual General Meetings:-

#### **Year 2019**

1. To approve the re-appointment of Sh. Sat Paul Bansal (DIN 00077499), Chairman Cum Managing Director of the Company for a period of 5 years w.e.f. 01.04.2019 & ending with 31.03.2024 and to fix his remuneration for the period of 3 years i.e. from 01.04.2019 to 31.03.2022.
2. To approve the revision in the remuneration of Sh. Dharam Pal Sharma (DIN 07284332), Whole Time Director of the Company w.e.f. 01.04.2019 for his remaining tenure i.e. till 31-03-2020.
3. To approve the re-appointment of Sh. Dilbag Singh Sidhu (DIN 05210193) as an Independent Director of the Company for a second term upto 31-03-2024.
4. To approve the re-appointment of Sh. Vigyan Prakash Arora (DIN 00806647) as an Independent Director of the Company for a second term upto 31-03-2024.

5. To approve the re-appointment of Sh. Ajay Arora (DIN 00314161) as an Independent Director of the Company for a second term upto 31-03- 2024.

**Year 2020**

1. To approve the re-appointment of Sh. Rajneesh Bansal (DIN 00077230) as Executive Director w.e.f. 01-04-2020 and as Managing Director (a Whole Time Key Managerial Personnel) of the Company w.e.f. 01-09-2020 and to fix his remuneration for the period of 3 years i.e. from 01.04.2020 to 31.03.2023.
2. To approve the appointment of Sh. Dharam Pal Sharma (DIN 07284332), as Designated Whole Time Director of the Company w.e.f. 01-04-2020 and to fix his remuneration for the period of 3 years i.e. from 01.04.2020 to 31.03.2023

**Year 2021**

1. To approve the appointment of Sh. Inder Sain Negi (DIN: 08947230) as a Non Executive Independent Director of the Company for a term commencing from 12.11.2020 and ending on 31-10-2025.
2. To approve the appointment of Sh. Jeewan Lal Negi (DIN: 09166359) as a Non Executive Independent Director of the Company for a term commencing from 08.06.2021 and ending on 31-03-2026.
3. To approve the appointment of Sh. Sat Paul Bansal (DIN 00077499), as a Non Executive Non Independent Director and Chairman of the Company.
4. To approve alteration of Articles of Association of Company.
5. To approve the matter relating to fixation of fee for delivery of any document through a particular mode to any Member of the company requesting for the same.

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

Yes, two Special Resolutions were passed through Postal Ballot through the process of evoting during FY 2021-22. The Resolutions are pointed below:

1. To appoint Mr. Ritesh Vaid (Din: 09433856) as Whole Time Director and Designated Director of the Company.

2. To increase the threshold limits applicable for Extending Loans/ Giving Guarantees, Providing of Securities and making Investments in Securities under Section 186 of the Companies Act, 2013.

(d) **Person who conducted the postal ballot exercise –**

Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (FCS No. 5901 and CP No. 5870) conducted the Postal Ballot through the process of evoting.

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

No Special Resolution is proposed to be conducted through Postal Ballot Process at the ensuing Annual General Meeting. However, remote e-voting facility and evoting facility during the AGM 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.

**8. MEANS OF COMMUNICATIONS**

(a) **Quarterly Results :**

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

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

(c) **Any website, where displayed:-**

The Quarterly, Half yearly and Annual Results are displayed on Company's website [www.paulmerchants.net](http://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:**

All financial and other vital official news releases and documents under the SEBI Listing Regulations are also communicated to the BSE Ltd, besides being placed on the Company's website [www.paulmerchants.net](http://www.paulmerchants.net).

**(e) Presentations made to the Institutional Investors or to the Analysts:**

No presentations have been made to institutional investors or to the analysts during the year under review.

**(f) BSE Corporate Compliance and Listing Centre:-**

All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Quarterly Results etc. are filed electronically with the Listing Centre of BSE and wherever prescribed, in XBRL format.

**9. GENERAL SHAREHOLDER INFORMATION**

a.	Annual General Meeting: Date, time and Venue	Date:- Wednesday, the 29 <sup>th</sup> day of September, 2022, Time:- At 12.00 Noon, Venue:- The Company is conducting the meeting through VC / OAVM pursuant to the MCA Circular no. 02/2022 dated May 05, 2022 read over with its earlier Circular no. 21/2021 dated December 14, 2021, Circular no. 19/2021 dated December 08, 2021, Circular no. 02/2021 dated January 13, 2021, Circular no. 20/2020 dated May 5, 2020, Circular no. 17/2020 dated April 13, 2020 and Circular no. 14/2020 dated April 8, 2020 (collectively referred to as "MCA Circulars") and SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May, 2022 read over with its earlier Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January, 2021, no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM. The deemed venue for the 38 <sup>th</sup> AGM shall be the Registered Office of the Company.
b.	Financial year	1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022
c.	Dividend Payment Date	N/A

d.	Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001.  Listing Fee for the Financial year 2021-22 had been paid to BSE Ltd on 26/04/2021 and for the Financial year 2022-23 has been paid on 19/04/2022.																																																																																									
e.	Stock Code	539113																																																																																									
f.	Market Price Data: High, Low during each month in last financial year	<table><tr><th colspan="6">PAUL MERCHANTS LIMITED</th></tr><tr><th>Month</th><th>High Price</th><th>Low Price</th><th></th><th></th><th></th></tr><tr><td>Apr-21</td><td>1194.00</td><td>1030.00</td><td></td><td></td><td></td></tr><tr><td>May-21</td><td>1500.00</td><td>1011.80</td><td></td><td></td><td></td></tr><tr><td>Jun-21</td><td>2200.00</td><td>1480.00</td><td></td><td></td><td></td></tr><tr><td>Jul-21</td><td>1950.00</td><td>1709.95</td><td></td><td></td><td></td></tr><tr><td>Aug-21</td><td>1799.80</td><td>1425.25</td><td></td><td></td><td></td></tr><tr><td>Sep-21</td><td>1764.95</td><td>1402.00</td><td></td><td></td><td></td></tr><tr><td>Oct-21</td><td>1779.00</td><td>1531.30</td><td></td><td></td><td></td></tr><tr><td>Nov-21</td><td>1749.00</td><td>1521.30</td><td></td><td></td><td></td></tr><tr><td>Dec-21</td><td>1630.00</td><td>1431.30</td><td></td><td></td><td></td></tr><tr><td>Jan-22</td><td>1749.00</td><td>1465.00</td><td></td><td></td><td></td></tr><tr><td>Feb-22</td><td>1698.00</td><td>1261.30</td><td></td><td></td><td></td></tr><tr><td>Mar-22</td><td>1365.00</td><td>1060.00</td><td></td><td></td><td></td></tr></table>						PAUL MERCHANTS LIMITED						Month	High Price	Low Price				Apr-21	1194.00	1030.00				May-21	1500.00	1011.80				Jun-21	2200.00	1480.00				Jul-21	1950.00	1709.95				Aug-21	1799.80	1425.25				Sep-21	1764.95	1402.00				Oct-21	1779.00	1531.30				Nov-21	1749.00	1521.30				Dec-21	1630.00	1431.30				Jan-22	1749.00	1465.00				Feb-22	1698.00	1261.30				Mar-22	1365.00	1060.00			
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h.	In case the securities are suspended from trading, the directors report shall explain the reasons thereof	N/A. The securities of the Company have never been suspended from trading.												
i.	Registrar to an Issue and Share Transfer Agents	Alankit Assignments Limited, 205-208 Anarkali Complex Jhandewalan Extension New Delhi- 110055 (INDIA) Ph. No.: 011-42541959 (RTA of the Company)												
j.	Share Transfer System	<p>In terms of provisions of Regulation 7 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to ensure that all activities in relation to share transfer facility are maintained either in-house or by Registrar to Issue and Share Transfer Agent registered with the SEBI. In the Company, the said activities are maintained by the Registrar and Share Transfer Agent of the Company (RTA) M/s Alankit Assignments Limited, having registered Office at 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi, SEBI Regn. No. INR000002532. Share transfers processed by the RTA M/s Alankit Assignments Limited, New Delhi are 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. Post 01-04-2019, SEBI has prohibited Transfer of shares in physical mode. As such, 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. The Company obtains from a Company Secretary in practice, a Yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchange.</p> <p>Till 01-04-2019 the share transfers, which were received in physical form, were processed and the share certificates returned within a period of 15 days from the date of receipt by the RTA, subject to documents being valid and complete in all respects. The SEBI Circular dated 08-06-2018, amending thereby the SEBI LODR Regulations to</p>												

		<p>provide for prohibition of Transfer of Shares in Physical form after 01-04-2019 has already been brought to the notice of the Shareholders.</p> <p>All requests for dematerialization of shares are processed and the confirmation is given to the Depositories within 21 days by RTA subject to documents being valid and complete in all respects. Grievances received from Members are immediately attended to and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar within 15 days. Stakeholders' Relationship Committee also looks into the Investors Grievances, if there is any.</p> <p>SCORES (SEBI complaints redressal system): SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a Company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI. During the year under review, the Company did not receive any complaint on SCORES platform.</p>
k.	Distribution of Shareholding	As per <b><u>Annexure- G-1</u></b>
l.	Dematerialization of shares and liquidity	<p>A total number of 10,14,450 Equity Shares of the Company constituting 98.68% of the issued, subscribed and paid-up share capital were held in dematerialized form as on March 31, 2022 and as such, there is sufficient liquidity in the stock.</p> <p>All shareholders are requested to update their bank account details with their respective depositories urgently. This would facilitate transfer of dividend directly to the bank account of the shareholders, whenever applicable.</p>
m.	Outstanding Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs)/ Warrants or any Convertible instruments, conversion date	The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments till date.



	and likely impact on equity													
n.	Commodity price risk or foreign exchange risk and hedging activities	<p>The Company is not a sizeable user of commodities, hence exposes itself moderately to the price risk on account of procurement of commodities. The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to be made in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/ 0000000141 dated November 15, 2018.</p> <p>The exposure to foreign exchange risk is limited to stock of Foreign Exchange held in the branch offices of the Company and unsettled transactions at the Central treasury which are adequately covered in advance with Banks or other FFMCS. All the Forex Transactions are being covered under the CASH / TOM / SPOT covering.</p>												
o.	Plant Locations	The Company is in service Industry and had 71 own offices as on 31-03-2022. The list of the said offices is appended to this Annual Report in the beginning.												
p.	Address for correspondence	<p>The Company Secretary, PML House, SCO 829-830, Sector 22-A, Chandigarh – 160022</p> <p>Ph. 0172-5041792, 5041760, Fax 0172-5041713</p> <p>email: <a href="mailto:cs@paulmerchants.net">cs@paulmerchants.net</a></p>												
q.	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	<table> <tr> <th>Instrument/Facility</th><th>Amount (INR Crore)</th><th>Rating Assigned (by Infomerics Valuation and Rating Pvt Ltd., a SEBI registered Credit Rating Agency) on 07.01.2021</th></tr> <tr> <td>Long Term Bank Facility – Cash Credit</td><td>8.00</td><td>IVR A; Under Credit watch with developing Implications</td></tr> <tr> <td>Short Term Bank Facility– Bank Guarantee</td><td>2.00</td><td>IVR A1; Under Credit watch with developing Implications</td></tr> <tr> <td><b>Total</b></td><td><b>10.00</b></td><td></td></tr> </table>	Instrument/Facility	Amount (INR Crore)	Rating Assigned (by Infomerics Valuation and Rating Pvt Ltd., a SEBI registered Credit Rating Agency) on 07.01.2021	Long Term Bank Facility – Cash Credit	8.00	IVR A; Under Credit watch with developing Implications	Short Term Bank Facility– Bank Guarantee	2.00	IVR A1; Under Credit watch with developing Implications	<b>Total</b>	<b>10.00</b>	
Instrument/Facility	Amount (INR Crore)	Rating Assigned (by Infomerics Valuation and Rating Pvt Ltd., a SEBI registered Credit Rating Agency) on 07.01.2021												
Long Term Bank Facility – Cash Credit	8.00	IVR A; Under Credit watch with developing Implications												
Short Term Bank Facility– Bank Guarantee	2.00	IVR A1; Under Credit watch with developing Implications												
<b>Total</b>	<b>10.00</b>													

r.	Date of Book closure	15-09-2022 to 21-09-2022 (both days inclusive)
s.	ISIN	INE 291 E 01019

**ANNEXURE – G-1**

(a) **Distribution of Shareholding (No. of Shares) as on March 31, 2022 is as under :-**

No. of Shares	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Holding
1-500	1897	96.84	60432	5.88
501-1000	22	1.12	16621	1.62
1001-2000	15	0.77	23467	2.28
2001-3000	9	0.46	23623	2.30
3001-4000	4	0.20	15983	1.55
4001-5000	4	0.20	19764	1.92
5001-10000	2	0.10	11240	1.09
10001 and above	6	0.31	856870	83.35
<b>Total</b>	<b>1959</b>	<b>100.00</b>	<b>1028000</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2022:-**

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 (Including clearing member)	1482
Indian Public (including HUF)	275340
NRIs/QCBs	3730
Trust	0

<b>Total</b>	<b>10,28,000</b>
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## 10. OTHER DISCLOSURES

### **(a) Disclosures On Materially Significant Related Party Transactions That May Have Potential Conflict With The Interests Of Listed Entity At Large;**

No material significant related party transactions have taken place during the year under review that may have potential conflict with the interests of the Company at large.

Further, the disclosures required under Part A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations are given below:-

#### **A Related Party Disclosure:-**

1. For disclosures in compliance with the Accounting Standard on "Related Party Disclosures" and as per the provisions of the Companies Act, 2013, please refer **Annexure D-5** to the Directors Report and Note 41 to the Standalone Financial Statements.
2. The disclosures as required under para A(2) of Schedule V:-

Sr. No.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.		
1	Holding Company (Paul Merchants Limited)	Name	Amount outstanding as on 31.03.2022	Maximum Amount outstanding during the year
	Loans and advances in the nature of loans to subsidiaries	Paul Merchants Finance Private Limited	Rs. 1,84,81,61,578	Rs. 2,05,86,61,579
	Loans and advances in the nature of loans to associates	Nil, as the Company has no Associate Company	-	-
	Loans and advances in the nature of loans to firms/companies in which directors are interested	Nil	-	-
2	Subsidiary Company (Paul Merchants Finance Private Limited)			

	Loans and advances in the nature of loans to subsidiaries	Nil as the Company has no Subsidiary Company	-	-
	Loans and advances in the nature of loans to associates	Nil, as the Company has no Associate Company	-	-
	Loans and advances in the nature of loans to firms/companies in which directors are interested	Nil	-	-
3	<b>Subsidiary Company (PML Realtors Private Limited)</b>			
	Loans and advances in the nature of loans to subsidiaries	Nil, as the Company has no Subsidiary Company	-	-
	Loans and advances in the nature of loans to associates	Nil, as the Company has no Associate Company	-	-
	Loans and advances in the nature of loans to firms/companies in which directors are interested	Paul Merchants Finance Private Limited	Rs. 9,33,20,001	Rs. 11,32,95,000
4	<b>Holding Company (Paul Merchants Limited)</b>			
	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	Nil	-	-

Further reference in this regard can be made to Note no. 41 of the Balance sheet and **Annexure D-5** to the Directors Report, which is a part of this Annual Report.

2A. For disclosure of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity i.e. Paul Merchants Limited as required in terms of Clause 2A of Part A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, in the format prescribed in the relevant accounting standards for annual results, please refer Note no. 41 of the Balance sheet and **Annexure D-5** to the Directors Report, which is a part of this Annual Report.

Further details of related party transactions form part of Notes to the Accounts under Note no. 41, in the Financial Statements attached in this 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. The details

of the Related Party Transactions, entered into by the Company in the ordinary course of business at Arm's length basis are given as **Annexure D-5** 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 <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/04/Related-Party-Transaction-Policy.pdf>

(b) **Details Of Non-Compliance By The Listed Entity, Penalties, Strictures Imposed On The Listed Entity By Stock Exchange(S) Or The Board Or Any Statutory Authority, On Any Matter Related To Capital Markets, During The Last Three Years**

There is no non-compliance by the Company and there are no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years.

(c) **Details of establishment of a Vigil Mechanism/ Whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee**

The Vigil Mechanism cum Whistle Blower Policy is in place which is reviewed by the Audit Committee on regular basis and the text of the same is given at the end of this Corporate Governance Report as **Annexure-9A**.

The Company do hereby affirm that no personnel has been denied access to the Audit Committee as no complaint has been received by the Committee during the year under review. The Vigil Mechanism cum Whistle Blower Policy is also available on the Website of the Company <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2021/08/Vigil-Mechanism-policy-07-02-2019.pdf>

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

The Company has complied with all the mandatory requirements of the Listing Regulations.

**Adoption of Non-Mandatory Requirements as per part E of Schedule II Of SEBI (LODR) Regulations, 2015**

**1. The Board**

As on 31<sup>st</sup> March, 2022, Mr. Sat Paul Bansal, a non executive Director is the Chairman of the Board. His office is maintained at the company's expense and is allowed reimbursement of expenses incurred by him in performance of his official duties.

**2. Shareholder Rights**

Since the Company publishes its Quarterly, Half yearly and Annual Results in Newspapers (English and Hindi) having wide circulation, the results are also displayed on the website of the Company and the BSE Ltd., and the Annual Report of the Company is sent to each shareholder through permitted mode, the Company does not send any declaration of half yearly performance to each household of shareholders.

**3. Modified Opinion(s) in the Audit Report**

There are no Audit qualifications/Modified Opinion on the Financial Statements of the Company for the year 2021-22 and as such the current Financial Statements are with unmodified audit opinion. As there are no Audit qualifications/Modified Opinion on the Financial Statements of the Company, statement on Impact of Audit Qualifications as stipulated in Regulation 33(3)(d) of SEBI (LODR) Regulations is not required to be given

**4. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer**

The Company has appointed separate persons to the post of the Chairperson and the Managing Director and the Chairman is a non-executive director. However, the Chairman is related to the Managing Director as per the definition of the term “relative” defined under the Companies Act, 2013.

**5. Reporting of Internal Auditor**

At the moment, the reporting of the Internal Auditor 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. Performance of the Internal Audit department is also reviewed by the Audit Committee periodically.

**(e) Web Link Where Policy For Determining ‘Material’ Subsidiaries Is Disclosed.**

<http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Material-Subsidiary-Policy-07-02-2019-1.pdf>

- (f) **Web link where policy on dealing with related party transactions is disclosed:-**

<https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/04/Related-Party-Transaction-Policy.pdf>

- (g) **Disclosure of commodity price risks and commodity hedging activities**

The Company is not a sizeable user of commodities, hence exposes itself moderately to the price risk on account of procurement of commodities. As such, no commodity hedging activities are undertaken by the Company. The Company has adequate risk assessment and minimization systems in place including for commodities. For the reason that the Company does not have material exposure to any price risk in relation to the commodities and accordingly, no hedging activities for the same are carried out, therefore there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

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 FFCs. All the Forex Transactions are being covered under the CASH / TOM / SPOT covering.

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

Information in this regard is nil as no funds were raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the year under review.

- (i) **A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority**

The said Certificate is enclosed herewith as **Annexure D-14**.

- (j) **Disclosure of cases where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the Financial year 2021-22, along with reasons thereof –**



Information in this regard is nil as there was no instance when board had not accepted any recommendation of any committee of the board which is mandatorily required, during the financial year under review.

**(k) Total Fees For All Services Paid By The Listed Entity And Its Subsidiaries, On A Consolidated Basis, To The Statutory Auditor And All Entities In The Network Firm/Network Entity Of Which The Statutory Auditor Is A Part -**

The required information for the Financial Year 2021-22 is given as under:-

Fees paid to the Auditors:-

Name of the Company	Fees paid for Audit (Including Tax Audit) (Rs.)	Fees paid for other services (Rs.)
Paul Merchants Limited	2,00,000 plus GST	1,30,000 plus GST (For Certification Charges)
Paul Merchants Finance (P) Limited	65,000 plus GST	50,000 plus GST (for certification Charges)
PML Realtors (P) Limited	25,000 plus GST	NIL

Fees paid to the all entities in the network firm/network entity of which the statutory auditor is a part:-

Name of the Company	Fees paid for Audit (Including Tax Audit)	Fees paid for other services
Paul Merchants Limited	NIL	NIL
Paul Merchants Finance (P) Limited	Nil	Nil
PML Realtors (P) Limited	Nil	Nil

**(l) Disclosures In Relation To The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013:-**

- Number of complaints filed during the financial year - **NIL**
- Number of complaints disposed of during the financial year - **NIL**
- Number of complaints pending as on end of the financial year - **NIL**

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

Sr. No.	Loans made by	Loans given to	Amount outstanding as on 31.03.2022
1	Paul Merchants Limited (Holding Company)	Paul Merchants Finance Private Limited. An amount of Rs. 46,93,11,477/- disbursed during the year under review on net basis.	Rs. 1,84,81,61,578
2	PML Realtors Private Limited (Subsidiary Company)	Paul Merchants Finance Private Limited. An amount of Rs. 18,10,95,000/- disbursed during the year under review.	Rs. 9,33,20,001
3	Paul Merchants Finance Private Limited (Subsidiary Company)	Nil	Nil

Further reference in this regard can be made to Note no. 41 of the Balance sheet, disclosure made in para (a ) above and **Annexure D-5** to the Directors Report, which is a part of this Annual Report.

**11. Non-compliance of any requirement of Corporate Governance report of sub paras (2) to (10) of Part C of Schedule V, with reasons thereof**

There is no non-compliance of any of the said requirements.

**12. Adoption of Discretionary requirements as specified in Part E of Schedule II.**

As given above under para (d) of 'Other Disclosures'

**13. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations**

The Board do hereby confirm that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations and all these details have been given in the section on Corporate Governance as above. The Company has made all the disclosures on its website [www.paulmerchants.net](http://www.paulmerchants.net) as required under regulation 46 (2) of SEBI (LODR) Regulations. The attention of the Members is also invited to the Certificate obtained from Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh regarding compliance of conditions of Corporate Governance by the Company and the same is annexed to this Annual Report as **Annexure D-10.**

**D. CEO DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

The Managing Director of the Company has issued a Declaration that the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management. As there is no Chief Executive Officer in the Company, this Declaration has been issued by the Managing Director of the Company. The Declaration is appended to this Report at the end of this Report. This Declaration has been given as **Annexure D-8** to this Report.

Further, in terms of the requirements of Regulation 17 (8) read with Part B of Schedule II to the SEBI (LODR) Regulations, 2015, the Managing Director and the Chief Financial Officer have submitted necessary certificate to the Board of Directors stating & certifying the particulars specified under the said Regulation. As there is no Chief Executive Officer in the Company, this Certificate has been issued by the Managing Director of the Company along with Chief Financial Officer of the Company. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors. This Certificate has been given as **Annexure D-13** to this Report.

**E. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

A Certificate obtained from Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh has been obtained and the same has been annexed to this Annual Report as **Annexure D-10**.

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-15**.

**F. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

There is no demat suspense account/ unclaimed suspense account of the Company because such a requirement never got necessitated in relation to the shares of the Company. As such, the information in this regard is Nil.

## **Miscellaneous Disclosures**

### **(i) Reconciliation Of Share Capital Audit**

A reconciliation of Share Capital Audit was carried out by a qualified practicing Company secretary on quarterly basis for the purposes of reconciliation of the total issued capital, listed capital and capital held by depositories in dematerialized form, the details of changes in share capital during the quarter and the in-principle approval obtained by the issuer from all the stock exchanges where it is listed in respect of such further issued capital and for other purposes as specified in the Regulation 76(1) and 76(2) of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

### **(ii) Code For Prevention Of Insider Trading**

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Further a Code of Fair Disclosure and Prevention of Insider Trading Code under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 have been adopted and displayed on the website of the Company at <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/08/Code-of-Conduct-Reg-9.pdf>. These Codes lay down guidelines vide which it advises the designated Persons and connected persons on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and caution them of the consequences of violations.

### **(iii) Material Subsidiaries**

The Company has one material subsidiary in the name of Paul Merchants Finance (Pvt) Ltd as defined under Regulation 16 (1) (c) of SEBI (LODR) Regulations, 2015. The requirement relating to composition of Board of Directors of Unlisted Material subsidiary has been complied with.

### **(iv) Disclosure Regarding Appointment Or Re-appointment Of Directors:**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Smt Sarita Rani Bansal (DIN 00094504) and Sh. Sat Paul Bansal (DIN 00077499), Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

(v) **Code of Conduct**

(i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copy of Code of Conduct as applicable to the Directors (including Senior Management of the Company) is uploaded on the website of the Company at <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2017/02/PML-Code-of-Conduct.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, 2022. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

(vi) **Board Disclosures - Risk Management**

The Company manages risks as an integral part of its decision making process. The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically.

(vii) **Information placed before the Board**

The Agenda is circulated well in advance to the Board Members along with Agenda Notes. The items in the Agenda are backed by comprehensive background information to facilitate meaningful discussions and to enable the Board to take efficient decisions. The Board of Paul Merchants Limited is presented with all relevant information on various vital matters affecting the working of the company in addition to the matters set out in Companies Act, 2013, SEBI (LODR) Regulations, 2015 and Secretarial Standards. 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 (KMP) and employees one level below KMPs, material legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters.

(viii) **Proceeds from public issues, rights issues, preferential issues, etc.**

During the year under review, no money has been raised by the Company by way of Public Issues, Rights Issues, Preferential Issues Etc.

(ix) **Management Discussion & Analysis Report:**

Management Discussion & Analysis Report forms part of the Annual Report and include discussions on various matters specified under Part B of Schedule V to the SEBI (LODR)

Regulations, 2015. The report has already been annexed as **Annexure D-3** to the Directors' Report.

**(x) Annual Secretarial Compliance Report**

As per Regulation 24A read over with SEBI circular dated 8<sup>th</sup> February, 2019, all listed entities are mandated to obtain Annual Secretarial Compliance Report from the Company Secretary in practice on compliance with all applicable SEBI Regulations and circulars / guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report (Form MR – 3). The Company has received the aforesaid report from Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh for the Financial Year 2021-22. A copy of the said Annual Secretarial Compliance Report is enclosed in this Annual Report as **Annexure-D-16**. The report is unqualified. The observations in the aforesaid report are self-explanatory and therefore, the Board of Directors do not have any further comments to offer on the same.

**(xi) Web link of the Corporate Policies of the Company**

Your Company is inclined towards following highest levels of ethical standards in all its business transactions. To ensure the same, the Company has adopted various policies, codes and practices. The Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, also mandates the formulation of certain policies for all listed companies. These policies are reviewed periodically by the Board and are updated in line with amended laws and requirements. The web link of the key policies adopted are detailed below:-

<b>Name of the Policy</b>	<b>Web link</b>
Code of Conduct for Directors and Senior Management	<a href="http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2017/02/PML-Code-of-Conduct.pdf">http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2017/02/PML-Code-of-Conduct.pdf</a>
Familiarization Programme Policy for Independent Directors	<a href="http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2017/02/FAMILIARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf">http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2017/02/FAMILIARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf</a>
Paul Merchants Ltd Code of Practices & Procedures	<a href="http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/PML Code of Fair Disclosure-2019.pdf">http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/PML Code of Fair Disclosure-2019.pdf</a>

Code of Conduct to Regulate, Monitor and Report of trading by Designated Persons and their Immediate Relatives	<a href="https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/08/Code-of-Conduct-Reg-9-1.pdf">https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/08/Code-of-Conduct-Reg-9-1.pdf</a>
Archival Policy	<a href="http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2018/07/Policy-on-Archival-of-Records.pdf">http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2018/07/Policy-on-Archival-of-Records.pdf</a>
Policy on Related Party Transactions	<a href="https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/04/Related-Party-Transaction-Policy.pdf">https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/04/Related-Party-Transaction-Policy.pdf</a>
Policy for Determining Material Subsidiaries	<a href="http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Material-Subsidiary-Policy-07-02-2019-1.pdf">http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Material-Subsidiary-Policy-07-02-2019-1.pdf</a>
Nomination and Remuneration Policy	<a href="https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2021/08/Nomination-Remuneration-Policy-12-08-2021.pdf">https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2021/08/Nomination-Remuneration-Policy-12-08-2021.pdf</a>
Policy for Determining Materiality	<a href="https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/08/Policy-on-Determination-of-Materiality.pdf">https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/08/Policy-on-Determination-of-Materiality.pdf</a>
Corporate Social Responsibility Policy	<a href="https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/CSR-Policy.pdf">https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/CSR-Policy.pdf</a>
Vigil Mechanism Cum Whistle Blower Policy	<a href="https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2021/08/Vigil-Mechanism-policy-07-02-2019.pdf">https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2021/08/Vigil-Mechanism-policy-07-02-2019.pdf</a>

**For & On Behalf of the Board**

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

PLACE: CHANDIGARH  
Date: August 10, 2022

**For & On Behalf of the Board**

**(RITESH VAID)**  
**WHOLE TIME DIRECTOR**  
(DIN 09433856)



**ANNEXURE-9A**

**VIGIL MECHANISM CUM WHISLTE BLOWER POLICY**

**PREAMBLE**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, Legality, integrity and ethical behavior. Any actual or potential violation of the same, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations cannot be undermined. Accordingly, this Vigil Mechanism has been formulated with a view to provide a mechanism for employees of the Company and others concerned to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

Regulation 4 (2)(d)(iv) read with Regulation 22 (1) of the Securities & Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, inter alia, provides for requirement to establish a mechanism called 'Whistle Blower Policy' for stakeholders, employees and their representative bodies to report to the management, instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

Section 177 of the Companies Act, 2013 also provides that the Company shall establish a Vigil Mechanism for Directors and Employees to report genuine concerns. This Vigil Mechanism is meant to serve the purpose of Section 177 of the Companies Act, 2013 as well as 'Whistle Blower Policy' under the SEBI (LODR) Regulations.

**1. OBJECTIVE**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for Stakeholders, Directors, employees and their representative bodies, to raise concerns of any violations of legal or regulatory requirements, unethical behavior, fraud, violation of Company's code of conduct, incorrect or misrepresentation of any financial statements and reports, etc.

**2. POLICY**

The Vigil Mechanism intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

No adverse action shall be taken or recommended against any Stakeholder, Director, employee or their representative body in retaliation to his disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This protects such employees or Director from unfair termination and unfair prejudicial employment practices.

However, this policy does not protect an employee or Director from an adverse action which occurs independent of his disclosure of unethical and improper practice or alleged wrongful conduct, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

### **3. DEFINITIONS**

- a. **"Disciplinary Action"** means any action that can be taken on the completion of /during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties, termination, legal action or any such action as is deemed to be fit considering the gravity of the matter.
- b. **"Employee"** means every employee of the Company (whether working in India or abroad)
- c. **"Directors"** include independent, Nominee & Alternate directors
- d. **"Protected Disclosure"** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- e. **"Subject"** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under this Policy.
- f. **"Whistleblower"** is someone who makes a Protected Disclosure under this Policy.
- g. **"Whistle Committee"** means a Committee of persons who is/are nominated/ appointed to conduct detailed investigation of the disclosures received from the whistleblower and recommends disciplinary action.

- h. **“Audit Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations.
- i. **“Company”** means Paul Merchants Ltd.
- j. **“Ombudsman”** means, the Officer or Officers designated as such by the Audit Committee for the purpose of this Policy.
- k. **“GOOD FAITH”** An employee or a Director shall be deemed to be communicating in ‘good faith’ if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge of a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- l. **Policy or This Policy means**, “Vigil Mechanism cum Whistle Blower Policy”
- m. **“Improper Activity”** means to include:
- i. Abuse of authority
  - ii. Breach of contract
  - iii. Negligence causing substantial and specific danger to the Organization or public health and safety
  - iv. Manipulation of company data/records
  - v. Financial irregularities, including fraud or suspected fraud or deficiency in Internal Control and internal checks or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
  - vi. Any unlawful act whether Criminal/ Civil
  - vii. Pilferation of confidential/proprietary information
  - viii. Deliberate violation of law/regulation
  - ix. Wastage/misappropriation of company funds/assets
  - x. Breach of Company Policy or failure to implement or comply with any approved Company Policy, code of conduct
  - xi. Unethical behavior
  - xii. Leak of any Unpublished Price Sensitive Information (“UPSI”). “UPSI” for this purpose is as defined under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations

#### **4. SCOPE**

Various Stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

- a. Employees of the Company and their representative bodies
- b. Directors of the Company
- c. Employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location
- d. Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company
- e. Customers of the Company
- f. Any other person having an association with the Company

A person belonging to any of the above mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy.

NOTE: Policy should not be used to be a route for raising malicious or unfounded allegations against colleagues.

#### **5. GUIDING PRINCIPLES**

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- i. Ensure that the Whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so
- ii. Treat victimization as a serious matter, including initiating disciplinary action on such person/(s)
- iii. Ensure complete confidentiality
- iv. Not attempt to conceal evidence of the Protected Disclosure
- v. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made
- vi. Provide an opportunity of being heard to the persons involved especially to the Subject

#### **6. ANONYMOUS ALLEGATION**

Whistleblowers must put their names to the allegations made by them because follow-up action & investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will ordinarily NOT be investigated.

## **7. PROTECTION TO WHISTLEBLOWER**

- A. If any stakeholder raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:
- i. The communication/ disclosure is made in good faith
  - ii. He/she reasonably believes that information and any allegations contained in it, are substantially true; and
  - iii. He/she is not acting for personal gain
  - iv. Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals.

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

- B. The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed on any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.

Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

**8. ACCOUNTABILITIES – WHISTLE BLOWERS**

- I. Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- II. Avoid anonymity when raising a concern.
- III. Follow the procedures prescribed in this policy for making a Disclosure
- IV. Co-operate with investigating authorities, maintaining full confidentiality
- V. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action
- VI. A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation
- VII. Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed
- VIII. In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Whistle Committee, he/she can make a direct appeal to the CMD of the Company or the Audit Committee

**9. ACCOUNTABILITIES – OMBUDSMAN AND WHISTLE COMMITTEE**

- i. Conduct the enquiry in a fair, unbiased manner
- ii. Ensure complete fact-finding
- iii. Maintain strict confidentiality
- iv. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- v. Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- vi. Minute Committee deliberations and document the final report

**10. RIGHTS OF A SUBJECT**

- i. Subjects have right to be heard and the Ombudsman or the Committee must give adequate time and opportunity for the subject to communicate his/her stand on the matter
- ii. Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/investigation process

**11. MANAGEMENT ACTION ON FALSE DISCLOSURES**

An employee/person who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure or intimation by him and for legitimate reasons or cause under Company rules and policies.

**12. PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES**

The procedure as per Annexure will be followed.

**13. ACCESS TO REPORTS AND DOCUMENTS**

All reports and records associated with 'Disclosures' are considered confidential information and access will be restricted to the Whistleblower, the Whistle Committee and Ombudsman. 'Disclosures' and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

**14. RETENTION OF DOCUMENTS**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 03 years from the date of conclusion of the investigation.

**15. REPORTS**

A periodical status report on the total number of complaints received during the period, with summary of the findings of the Whistle Committee and the corrective actions taken will be sent to the Audit Committee as well as Board of Directors of



the Company. The contents of this Policy will be displayed by the Company on its Website and will also be included in the Directors Report.

## **16. COMPANY'S POWERS**

The Company is entitled to amend, suspend or rescind this policy at any time. Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed to or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy and the applicable Law. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance. The Audit Committee shall review the policy and its implementation on regular basis.

## **ANNEXURE**

### **PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES**

#### **1. How should a Disclosure be made and to whom?**

A disclosure should be made in writing. Letters can be submitted by hand delivery, courier or by post addressed to the Ombudsman appointed by the Company. Emails can be sent to the email id: [ombudsman@paulmerchants.net](mailto: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](mailto: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.

In case of letters, the disclosure should be sealed in an envelope marked “Whistle Blower” and addressed to the Ombudsman or the Chairman, Audit Committee, depending on position of the person against whom disclosure is made.

**3. What will happen after the Disclosure is submitted?**

- a. The Ombudsman shall acknowledge receipt of the Disclosure as soon as practical (preferably within 04 days of receipt of a Disclosure), to the address provided by the Whistleblower.
- b. The Ombudsman will proceed to determine whether the allegations (assuming them to be true only for the purpose of this determination) made in the Disclosure constitute a Malpractice by discussing with the Executive Directors and CMD of the Company (if required). If the Ombudsman unanimously determines that the allegations do not constitute a Malpractice, he/she will record this finding with reasons and communicate the same to the Whistleblower
- c. If the Ombudsman determines or any one member is of the opinion that the allegations constitute a Malpractice, he/she will proceed to investigate the Disclosure with the assistance of the Whistle Committee comprising of Senior Level Officers of HR, Internal Audit, Finance and Legal. The Whistle Committee, if it deems fit can also take assistance of Head of the Department where the breach has occurred. If the alleged Malpractice is required by law to be dealt with under any other mechanism, the Ombudsman shall refer the Disclosure to the appropriate authority under such mandated mechanism and seek a report on the findings from such authority.
- d. If the Protected Disclosure has been made to the Chairman of the Audit Committee, he will proceed to investigate the matter with the help of CMD, Ombudsman or Whistle Committee or any other officer as he deems fit.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. The investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access to systems and other information by the Ombudsman or Whistle Committee for the purpose of such investigation shall do so. Individuals with whom the Ombudsman or Whistle Committee requests an interview for the purposes of such investigation shall make

themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.

- g. If the Malpractice constitutes a criminal offence, the Ombudsman will bring it to the notice of the Executive Directors & CMD and take appropriate action including reporting the matter to the police. In other cases, the Ombudsman will take appropriate action against the culprit in consultation with the Whistle Committee.
- h. The CMD of the Company may, at his/her discretion, participate in the investigations of any Disclosure.
- i. The Whistle Committee shall conduct such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the Ombudsman as soon as practically possible and in any case, not later than 90 days from the date of receipt of the Disclosure. The Ombudsman may allow additional time for submission of the report based on the circumstances of the case.

Whilst it may be difficult for the Ombudsman to keep the Whistleblower regularly updated on the progress of the investigations, he/she will keep the Whistleblower informed of the result of the investigations and its recommendations subject to any obligations of confidentiality.

- j. The Ombudsman will ensure action on the recommendations of the Whistle Committee and keep the Whistleblower informed of the same. Though no timeframe is being specified for such action, the Company will endeavor to act as quickly as possible in cases of proved Malpractice.
- k. In case, the Whistle Blower is not satisfied with the investigation carried by the Whistle Committee, he can appeal to the Chairman of Audit Committee with all relevant details.

**4. What should a Whistleblower do if he/she faces any retaliatory action or threats of retaliatory action as a result of making a Disclosure?**

If anyone faces any retaliatory action or threats of retaliatory action as a result of making a Disclosure, he/she should inform the Ombudsman in writing immediately. Ombudsman will treat reports of such actions or threats as a separate Disclosure and investigate the same accordingly and may also recommend appropriate steps to protect the Whistle Blower from exposure to such retaliatory action and ensure implementation of such steps for your protection.

In case, the Whistle Blower is not satisfied with the resolution given by Ombudsman, he can appeal to the Chairman of Audit Committee with all relevant details.

**Sd/-**  
**Chairman**  
**Paul Merchants Limited**

**For & On Behalf of the Board**

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

**PLACE: CHANDIGARH**  
**Date: August 10, 2022**

**For & On Behalf of the Board**

**(RITESH VAID)**  
**WHOLE TIME DIRECTOR**  
**(DIN 09433856)**

**Annexure D-10**

**CERTIFICATE ON CORPORATE GOVERNANCE**

**To  
The Members of  
Paul Merchants Limited**

We have examined the compliance of the conditions of Corporate Governance by Paul Merchants Limited ("the Company") for the Financial Year ended 31<sup>st</sup> March, 2022, 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.

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to 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.

We further 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: 30.07.2022  
Place: Chandigarh**

**UDIN: F005901D000713443**

**Sd/-  
Kanwaljit Singh  
FCS: 5901  
C.P No.: 5870  
Peer Review Cert No.  
2319/2022**

**ANNEXURE D-11 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**

<b>Rule</b>	<b>PARTICULARS</b>		
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22	<b>NAME OF DIRECTOR</b>	<b>RATIO</b>
		Mr. Rajneesh Bansal	80:01
		Mr. Dharam Pal Sharma	3:01
		Mr. Ritesh Vaid	1 :01
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2021-22	<b>NAME OF DIRECTOR/KMP</b>	<b>PERCENTAGE INCREASE</b>
		Mr. Rajneesh Bansal, Managing Director	65%
		Mr. Dharam Pal Sharma, Whole Time Director	7.34%
		Mr. Ritesh Vaid	N/a as he was appointed as a Whole Time Director of the Company for the First Time on 10-02-2022
		Mr. Rajesh Garg	N/a as he was appointed as a Chief Financial Officer of the Company on 10-02-2022 only.
		Mrs Bhupinder Kaur, Chief Financial Officer (Includes Gratuity also)	10.20% (Resigned w.e.f. 08-02-2022)
		Mr. Hardam Singh, Company Secretary	7.36%
(iii)	The percentage increase in the median remuneration of	5.64%.	

	employees in the financial year.	
(iv)	The number of permanent employees on the rolls of the company.	348
(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 percentile increase of 9.78% made in salaries of employees other than the managerial personnel as compared to increase of 47.07% increase in salary of managerial personnel in the financial year under review. Remuneration of Mr. Rajneesh Bansal, Managing Director increased by 65%, which is commensurate with the increased profile has been given in the capacity of Managing Director. Remuneration of Mr. Dharam Pal Sharma, Whole Time Director increased by 7.34%. The remuneration of both the Whole Time Directors was duly approved by the Shareholders of the Company and also by the Board of Directors, Audit Committee and Nomination and Remuneration Committee.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	The Company hereby 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 <b><u>Annexure D-11A</u></b> , which forms part of this report.

**Note:-**

- (a) Median Remuneration has been calculated based on remuneration for full Financial Year.
- (b) For the purpose of arriving at %age increase in remuneration of Directors and KMPs, remuneration on rate basis for full Financial Year has been taken.



**For & On Behalf of the Board**

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

PLACE: CHANDIGARH  
Date: August 10, 2022

**For & On Behalf of the Board**

**(RITESH VAID)**  
**WHOLE TIME DIRECTOR**  
(DIN 09433856)

**Annexure D-11A**

Sr. No.	Information	Details	Details	Details	Details	Details	Details
		1	2	3	4	5	6
1	Name of Employee	Hardam Singh	Ritesh Vaid	Bhupinder Kaur	Sandeep Kumar Poonia	Ravi Kumar Rohilla	Rajni
2	Designation of the Employee	Company Secretary	Country Head (Foreign Exchange and International Money Transfer Division till 09.02.2022, Designated Director w.e.f. 10.02.2022)	Chief Financial Officer (Resigned from her post w.e.f. 08.02.2022)	General Manager	General Manager	Senior Area Manager
3	Remuneration Received (Rs)	34,42,476	22,30,121	16,55,458	12,22,876	11,45,797	11,06,539
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	CS, MBA & 23 Years	MBA & 21 years	CA & 12 years	BBA & 16 years	BA & 24 years	M.A (Music), MBA Pursuing & 13 Years
6	Date of commencement of employment	02-Jun-2003	01-Oct-2008	7 Feb-2019	1-May-2019	7-Jun-2019	30-Nov-2015
7	The age of such employee	48 Years	45 Years	37 Years	36 Years	46 Years	39 Years
8	The last employment held by such employee before joining the company	Eider Infotech Ltd	Wall Street Finance (P) Ltd	Punjab Communications Ltd	Matrix Forex Services Pvt. Ltd.	Ebixcash World Money Limited	VKC Forex Ltd.
9	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of rule 5(2)	Nil	Nil	Nil	Nil	Nil	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	No
11	DOB	21-Jun-1974	15-Nov-1976	8-Aug-1984	1-Jan-1986	1-Jan-1976	15-Apr-1983

Sr. No.	Information	Details	Details	Details	Details	Details	Details
		7	8	9	10	11	12
1	Name of Employee	Puneet Kapoor	Pankaj Money Grover	B Narasima Raju	Ritu	Rajneesh Bansal	Dharam Pal Sharma
2	Designation of the Employee	Area Manager, Business Development	Senior Zonal Manager-Forex	Regional Head- Forex	General Manager	Managing Director	Designated Whole Time Director
3	Remuneration Received (Rs.)	11,00,058	10,81,830	10,55,539	10,00,348	2,63,56,742	10,31,268
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Contractual	Contractual
5	Qualifications and experience of the employee	PGDBM & 12 Years	M.SC. & 20 Years	B. Sc & 21 Years	CA & 14 Years	MBA & 23 Years	M.A. (Economics) & 42 Years
6	Date of commencement of employment	15-Oct-2018	1-April-2004	16-Nov-2020	22-Oct-2007	27-Feb-1999	09-Nov-2015
7	The age of such employee	39 Years	41 Years	49 Years	39 Years	48 Years	67 Years
8	The last employment held by such employee before joining the company	Matrix Cellular International Services Ltd.	Dainik Jagran	Ebixcash World Money Limited	Nil	Nil	Reserve Bank of 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	28.62%	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	Mr. Rajneesh Bansal is son of Mr. Sat Paul Bansal, who is Non Executive Non independent Director and Chairman of the Company & Mrs. Sarita Rani Bansal, Non Executive Non independent Director of the Company.	NO
11	DOB	11-Nov-1982	20-August-1980	5-April-1973	21-Sept-1982	22-Jul-1974	04-Oct-1954

## **NOTE:**

1. The above information is as on 31-03-2022
2. Gross remuneration shown above is subject to tax and salary includes arrears, allowances, Perquisites, Commission, Incentives, Leave Encashment, Bonus and Provident Fund.
3. In addition to the remuneration shown above, a sum of Rs. 1,92,000/- has been paid to Mr. Hardam Singh, Company Secretary as Helper Allowance and Rs. 78,000/- as Uniform Allowance during the financial year under review as reimbursement of actual expenses
4. In addition to remuneration shown above, a sum of Rs. 1,14,000/- has been paid to Mr. Ritesh Vaid, County Head (Foreign Exchange and International Money Transfer Division till 09.02.2022 and appointed as Designated Director w.e.f. 10.02.2022, as Helper Allowance for the full financial year under review as reimbursement of actual expenses
5. In addition to remuneration shown above, a sum of Rs. 97,533/- has been paid to Ms Bhupinder Kaur, Chief Financial Officer as Helper Allowance and Rs. 41,067/- as Uniform Allowance during the financial year under review as reimbursement of actual expenses
6. During the Financial Year under review, there was no employee who, if employed throughout the financial year, was in receipt of remuneration in the aggregate, not less than one crore and two lakh rupees, except the Managing Director whose details have been furnished in the above table.
7. During the Financial Year under review, there was no employee who, if employed for a part of the financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Eight Lakhs and Fifty Thousand Rupees per month
8. During the Financial Year under review, there was no employee who, if employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company

**For & On Behalf of the Board**

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

PLACE: CHANDIGARH  
Date: August 10, 2022

**For & On Behalf of the Board**

**(RITESH VAID)**  
**WHOLE TIME DIRECTOR**  
(DIN 09433856)

**ANNEXURE D-12 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**

<b>1</b>	<b>Sl. No.</b>	<b>1</b>	<b>2</b>
2	Name of the subsidiary	Paul Merchants Finance Private Limited	PML Realtors Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Different	Not Different
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not applicable	Not applicable
5	Share capital	31,01,71,750	25,00,00,000
6	Reserves & surplus	1,50,77,55,242.03	1,33,45,085.92
7	Total assets	5,11,43,63,928.03	26,44,45,211.01
8	Total Liabilities	3,29,64,36,936	11,00,125.09
9	Investments	-	-
10	Turnover	84,36,64,407.50	-
11	Profit before taxation	27,66,36,795.50	29,55,033.52
12	Provision for taxation	6,68,72,398	8,05,621.29
13	Profit after taxation	20,97,64,397.50	20,99,412.23
14	Proposed Dividend	Nil *	Nil
15	% Shareholding	100%	100%

Notes :

- Names of Subsidiaries which are yet to commence operations - NIL
- Names of Subsidiaries which have been liquidated or sold during the year – NIL
- \* The Company declared an interim dividend of Rs. 1,39,57,728.75 /- for the FY 2021-22

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

Name of Associates/Joint Ventures		Horizon Remit Sdn. Bhd.,Malaysia	Paul Innovations LLP, India	Paul Tech Park LLP, India
1	Latest audited Balance Sheet Date (unaudited in case of Horizon Remit Sdn. Bhd. and Paul Tech Park LLP). Paul Tech Park LLP filed its application for strike off on 28-01-2022	31-03-2022	31-03-2022	31-12-2021
2	Shares of Joint Venture held by the company on the year end:-			
	No. of shares	16,93,797	NA	NA
	Amount of Investment in Associates/Joint Venture	Rs. NIL*	Rs. 40,40,000	NIL
	Extend of Holding %	19.424%	50%	50%
3	Description of how there is significant influence	Joint Venture	Limited Liability Partnership	Limited Liability Partnership
4	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated
5	Net worth attributable to Shareholding as per latest audited Balance Sheet (unaudited in case of Horizon Remit Sdn. Bhd.)	Rs. NIL	Rs. 38,95,986	NIL
6	Profit / (Loss) for the year			
	i. Considered in Consolidation (upto cost of investment as per IND AS)	(Rs. NIL)	(Rs. 141323)	Rs. 69,091.50
	ii. Not Considered in Consolidation	(Rs 3,63,79,458)	(Rs.141323)	Rs. 69,091.50

\*During the previous Financial year 2020-21, the Company had provided for impairment in value of its investment in Malaysian Joint Venture Horizon Remit Sdn. Bhd. amounting to Rs 304.72 Lakhs. A detailed Note had been inserted in AOC-1 for the said Financial Year.

- Names of associates or joint ventures which are yet to commence operations – NIL
- Names of associates or joint ventures which have been liquidated or sold during the year:- Paul Tech Park LLP, considered to be Joint Venture, had filed its application with ROC for striking off its name on 28-01-2022 and accordingly, has been struck off by the Registrar of Companies. Further, in respect of another Joint Venture Horizon Remit Sdn. Bhd.,Malaysia, the Company has already entered into a Share Purchase Agreement with M/s Al Jadeed Investment International” Muscat, Sultanate



of Oman for sale of the entire stake held by it and its Promoters in the said JV. The deal will be completed after the approval of Reserve Bank of India, for which, an Application has already been filed. As per agreed terms, the existing shareholders of the JV are to ensure that the company does not have any outstanding liabilities on the date of transfer of the Company to the purchaser and as such entire sale consideration would be remitted directly to outstanding creditor of the JV, i.e. Western Union. Further, to clear off balance liabilities, a sum of USD 86,820 equal to Rs. 64.22 lakhs has been finally ascertained to be payable to Western Union on that account, which has been reflected as Exceptional Item in the Balance Sheet.

3. There is no other Associate or Joint Venture Company.
4. Amount of Investment in Joint Venture has been taken at cost.
5. Conversion rate as on 31 March, 2022 has been taken as Rs. 17.85 for one Malaysian Ringitt in case of JV Company M/s Horizon Remit Sdn. Bhd., Malaysia

**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**

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

**(RITESH VAID)**  
**WHOLE TIME DIRECTOR**  
(DIN 09433856)

**HARDAM SINGH**  
**COMPANY SECRETARY**  
**FCS-5046**

**RAJESH GARG**  
**CHIEF FINANCIAL OFFICER**  
**FCA- 096484**

**PLACE: CHANDIGARH**  
**Date: August 10, 2022**

**Annexure D-13**

**CEO AND CFO CERTIFICATE**

To

The Board of Directors,  
Paul Merchants Limited,  
SCO 829-830, Sector 22-A,  
Chandigarh

Date: 12.05.2022

**Sub: Compliance Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We hereby certify in terms of Regulation 17 (8) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015:-

- A. We have reviewed Standalone as well consolidated financial statements and the Cash Flow Statement of Paul Merchants Limited for the year ended 31.03.2022 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, if any, over financial reporting during the year;
  - (2) Significant changes in accounting policies during the year, if any, 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/-

**Rajesh Garg**

(Chief Financial Officer)

PAN- ABKPG0231A

Sd/-

**Rajneesh Bansal**

(Managing Director)

DIN-00077230

**Annexure D-14**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

**To,**  
**The Members of Paul Merchants Limited**  
**Regd. Office: DSM 335,336,337, 3<sup>rd</sup> Floor,**  
**DLF Tower, 15, Shivaji Marg,**  
**Najafgarh Road,**  
**New Delhi-110015**

**Corp. Office: SCO 829-830, Sector 22-A,**  
**Chandigarh**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Paul Merchants Limited having CIN:L74900DL1984PLC018679 and having registered office at DSM 335,336,337, 3<sup>rd</sup>Floor, DLF Tower, 15, ShivajiMarg, Najafgarh Road, New Delhi-110015 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment In Company</b>
1.	Shri. Sat Paul Bansal	00077499	08-06-2021
2.	Shri. Rajneesh Bansal	00077230	27-02-1999
3.	Sh. Dharam Pal Sharma*	07284332	09-11-2015
4.	Smt. Sarita Rani Bansal	00094504	31-01-2012
5.	Shri. Dilbag Singh Sidhu	05210193	26-02-2012
6.	Shri. Vigyan Prakash Arora	00806647	01-04-2010
7.	Shri Ajay Arora	00314161	27-05-2014
8.	Shri Inder Sain Negi	08947230	12-11-2020

9.	Shri Jeewan Lal Negi	09166359	08-06-2021
10.	Shri Ritesh Vaid	09433856	10-02-2022

*\*Directorate of Enforcement, Chennai vide its order no ADE/SRO/CEZO-I/20/2020 dated 29-10-2020 had imposed a penalty for an amount of Rs. 1,80,00,000/- (Rupees One Crore Eighty Lakhs Only) on Mr. Dharam Pal Sharma, a Whole Time Director of the Company, under the provisions of Foreign Exchange Management Act, 1999, thereby rendering his disqualification for re-appointment as Whole Time Director under Part I of Schedule V of the Companies Act, 2013, though he remains qualified to be appointed as Non Executive Director. The said Director filed an Appeal against the said Order before Appellate Tribunal for SAFEMA, FEMA, PMLA, NDPS, PBPT ACT at New Delhi and the said Tribunal, vide its Order dated 24-03-2021, stayed the demand of the said penalty till the next date of hearing, pursuant to which the Directorate of Enforcement, Chennai has withdrawn its demand notice vide its letter dated 14-07-2022.*

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

**Date: 30.07.2022**

**Place: Chandigarh**

**UDIN: F005901D000713465**

**Sd/-  
Kanwaljit Singh  
FCS: 5901  
C.P No.: 5870  
Peer Review Cert No.  
2319/2022**

**Annexure D-15**

**RAJIV GOEL & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**S.C.O. 823-24, FF, Sector 22A,  
Chandigarh, Phone: 0172-4644607  
Email: rgaca91@gmail.com  
Web: [www.rgaca.org](http://www.rgaca.org)**

M/s Paul Merchants Limited  
SCO 829-830,  
Sector 22-A,  
Chandigarh

**FOR SUBMISSION TO RESERVE BANK OF INDIA**

It is hereby certified that on the basis of examination on test check basis of the records of M/s Paul Merchants Limited, having its Corporate Office at SCO 829-830, Sector 22-A, Chandigarh and according to information and explanation given to us for the period from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March, 2022, 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 of the company is satisfactory as per opinion in our report on Internal Control over Financial Reporting enclosed with the audited financial statements. Further we have also obtained copies of Concurrent Audit of branches of the Company on test check basis and found the same to be satisfactory.

The above certificate is issued at the request of Company and we reiterate that our responsibility is restricted to performing test check procedure so as to obtain reasonable assurance regarding compliance with RBI Guidelines on KYC/AML/CFT.

**For RAJIV GOEL AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 011106N**

Sd/-

**Place: Chandigarh  
Date:- 29.07.2022**

**(CA DHRUV GOEL )  
PARTNER  
M. No. 549610  
UDIN: 22549569ANVTFP4098**

**Annexure-D-16**

**Secretarial compliance report of Paul Merchants Limited for the year ended March 31, 2022**

To,

Paul Merchants Limited,  
DSM 335,336,337, 3<sup>rd</sup> Floor,  
DLF Tower, 15, Shivaji Marg,  
Najafgarh Road, New Delhi.

I, Kanwaljit Singh Thanewal, Company Secretary, have examined:

- (a) all the documents and records made available to us and explanation provided by **Paul Merchants Limited** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: Not applicable to the company during the Review Period.
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not applicable as there was no instance of Buy-Back of its securities during the Review Period.
- (e) Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 and Securities And Exchange Board Of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021: Not applicable to the company during the Review Period;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable as the company has not issued any debt securities during the Review Period.
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021: Not applicable as the company has not issued any such securities during the Review Period
- (h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021: Not applicable as the company has not delisted any securities from any stock exchange during the Review Period
- (i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (j) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

and circulars/ guidelines issued thereunder; and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

<b>Sr.No</b>	<b>Compliance Requirement (Regulations/ circulars / guidelines including specific clause)</b>	<b>Deviations</b>	<b>Observations/ Remarks of the Practicing Company Secretary</b>
NIL			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various

circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

<b>Sr. No.</b>	<b>Action taken by</b>	<b>Details of violation</b>	<b>Details of action taken E.g. fines, warning letter, debarment, etc.</b>	<b>Observations/ remarks of the Practicing Company Secretary, if any.</b>
NIL				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

<b>Sr. No.</b>	<b>Observations of the Practicing Company Secretary in the previous reports</b>	<b>Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)</b>	<b>Actions taken by the listed entity, if any</b>	<b>Comments of the Practicing Company Secretary on the actions taken by the listed entity</b>
Not Applicable				

Date: 26.05.2022  
Place: Chandigarh

UDIN: F005901D000393684

Sd/-  
Kanwaljit Singh Thanewal  
M No. 5901  
C P No. 5870

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE BOARD OF DIRECTORS OF PAUL MERCHANTS LIMITED**

#### **Report on the Audit of the Standalone Financial Statements**

##### **Opinion**

We have audited the accompanying standalone financial statements of **PAUL MERCHANTS LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial Statement under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our opinion is not modified in respect of this matter.

## **Management's Responsibility for the Standalone Financial Statement**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statement**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Other Matters**

The Company had entered into a Share purchase agreement (SPA) with Al Jadeed Investment International SPC, Muscat, Sultanate of Oman for sale of its entire shareholding in the Joint Venture (JV) M/s Horizon Remit Sdn. Bhd., Malaysia. The completion of transfer as per the said SPA is subject to approval by Bank Negara Malaysia and Reserve Bank of India (RBI), for which approval from RBI is pending as on date though applied for by the company. As per agreed terms, the existing shareholders of the JV are to ensure that the company does not have any outstanding liabilities on the date of transfer of the Company to the purchaser. Thus, to clear off balance liabilities, a sum of USD 86,820 equal to Rs. 64.22 lakhs has been finally ascertained to be payable to outstanding creditor Western Union on that account. Appropriate disclosures regarding the same has also been made in the accompanying financial statements. It is relevant to mention that our conclusion is not qualified in this respect.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies Auditor's Report Order, 2020 ("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 accounts.

- 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - v. The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - vi. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe



that the representations under sub-clause (iv) and (v) above contain any material mis-statement.

- vii. Based on the representations received by us and audit procedures conducted by us, the company has not declared or paid any dividend during the year.

**For RAJIV GOEL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No.- 011106N**

**Sd/-  
(ROHIT GOEL)  
PARTNER  
M. No. 091756**

**Date: 12.05.2022  
Place: Chandigarh**

**UDIN: 22091756ALYIWX2211**

## **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, 2022:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipments.

(B) The Company has maintained proper records showing full particulars, including quantitative details and situation of Intangible Assets

(b) The Property Plant and Equipments 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 Property Plant and Equipments 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 material 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. The same includes property at Mumbai whose carrying value as at 31<sup>st</sup> March 2022 amounted to Rs. 72.59 lakhs and in which case company has title to property in terms of agreement entered into with the developer however conveyance deed could not be executed till date due to board of the developer company being superseded as per procedure under IBC 2016. However, the company has represented that the agreement in question constitutes valid title deed and therefore our opinion in this regard is not qualified.

(d) According to information and explanations given to us, the company has not revalued its Property Plant and Equipments or Intangible Assets or both during the year.

(e) According to information and explanations given to us, no proceedings have been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The management has conducted the physical verification of inventory at reasonable intervals and in our opinion the coverage of such physical verification was appropriate. Based on representations received by us, no material discrepancies were noticed on physical verification of the inventory as compared to books of accounts.

(b) That during the year, the company has been sanctioned working capital limits in excess of five crore rupees on basis of security of current assets of the company. The quarterly statements submitted by the company to bank are in agreement with books of accounts of the company.

(iii) (a) According to information and explanation given to us, the company has granted unsecured loan (Working Capital) to its wholly owned Subsidiary Paul Merchants Finance Private Limited, covered in register maintained under section 189 of the Companies Act, 2013. The outstanding amount of Loan and interest thereon as on 31st March 2022 was Rs. 18481.61 Lakhs. Additionally, the company has also extended corporate guarantee to the extent of Rs. 18490 Lakhs in respect of credit facilities availed by such subsidiary from banks and other financial institutions. Further, the aggregate amount of assets of the company (as recognized in balance sheet as of 31.03.2022) mortgaged with respect to credit facilities availed by the subsidiary amounted to Rs. 6535.89 Lakhs (Including book value of immovable properties amounting Rs. 4070.19 lakhs and fair value of investments amounting Rs. 2465.70 lakhs as per audited balance sheet as of 31.3.2022).

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid Working Capital granted by the Company are not prejudicial to the interest of the Company.

(c) The aforesaid Working Capital limit have been made available to the subsidiary for 12 months which may be renewed for such further periods as may be agreed between the companies. The working capital limit constitute 100% of the loans granted to Promoters and related parties.

(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 securities 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 accounts, 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, 2022 for a period of more than six months from the date on which they become payable.

b) According to the information and explanations 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 37 – Contingent Liabilities not provided for" of the financial statements of the company.

(viii) According to information and explanations provided to us, there is no transaction that is not recorded in the books of account which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) 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.

(b) In our opinion and according to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the term loan of the company is being applied for the purpose it was taken for.

d) In our opinion, funds raised for short term purposes are not being utilized for long term purposes.

e) According to information shared with us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to information shared and explanations given to us, company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate company.

(x)(a) 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 during the year.

b) 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.

(xi)(a) 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.

(b) Based upon the audit procedures performed and the information and explanations given by the management, we report that no report u/s 143(12) of Companies Act 2013 has been filed by the auditors.

(c) We have duly considered the fact that no whistle blower complaints has been received by the company during the year

(xii) The company is not a Nidhi Company and therefore provisions of Para 3(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)(a) In our opinion and according to explanations and information received by us, the company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports were taken in consideration by us while finalizing our audit.

(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 them during the year. Hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi)(a) 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.

(b) In our opinion and explanations provided to us, the company has not conducted Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;

(c) In our opinion and explanations provided to us, the company is not a Core Investment Company (CIC).

(xvii) Upon examination of the cash flow statement of the company, we have concluded that the company had not incurred any cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has not been any resignation by statutory auditor during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans no material uncertainty exists as on the date of the audit report that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) As per information shared with us by the management as well as per our audit procedures, the company has duly complied with CSR obligations and there is no unspent CSR amount at the end of the year.

(xxi) Upon examination of audit reports of companies whose financial statements have been consolidated with the company, there are no adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the said companies.

**For RAJIV GOEL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No.- 011106N**

**Sd/-  
(ROHIT GOEL)  
PARTNER  
M. No. 091756  
UDIN: 22091756ALYIWX2211**

**Date: 12.05.2022  
Place: Chandigarh**



**“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, 2022 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, 2022, 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 RAJIV GOEL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No.- 011106N**

**Sd/-  
(ROHIT GOEL)  
PARTNER  
M. No. 091756  
UDIN: 22091756ALYIWX2211**

**Date: 12.05.2022  
Place: Chandigarh**

**PAUL MERCHANTS LIMITED**  
**STANDALONE BALANCE SHEET AS ON 31ST MARCH 2022**  
CIN-L74900DL1984PLC018679

Amount in Rs. Lakh

PARTICULARS	Note	As on 31.03.2022	As on 31.03.2021
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
a) Property, Plant and Equipment	1	5,779.76	5,927.91
b) Capital Work in Progress		-	-
c) Investment Property		-	-
d) Goodwill		-	-
e) Other Intangible Assets		51.58	-
f) Intangible Assets Under Development			19.60
g) Financial Assets			
i) Investments	2	16,616.67	16,576.27
ii) Others	3	53.16	53.16
h) Deferred Tax Assets (Net)	4	183.06	215.55
<b>(2) Current Assets</b>			
a) Inventories	5	480.19	494.16
b) Financial Assets			
i) Current Investments	6	2,991.49	3,741.73
ii) Trade Receivables	7	271.12	220.10
iii) Cash and Bank Balance	8	1,108.65	650.43
iv) Bank Balance other than iii above	9	232.48	315.42
v) Loans	10	18,481.62	13,788.50
vi) Others	11	101.58	118.72
c) Current Tax Assets	12	768.82	616.21
d) Other Current Assets	13	10.61	9.84
<b>TOTAL</b>		<b>47,130.81</b>	<b>42,747.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Shri Laxmi Ji		0.00	0.00
a) Equity Capital	14	102.80	102.80
b) Other Equity	15	42,351.33	40,315.85
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings		-	-
ii) Trade Payables		-	-
i) Leased Liabilities	16	8.45	8.45
b) Provisions	17	178.77	164.22
<b>(2) Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	18	951.32	507.63
ii) Trade Payables	19		
(A) total outstanding dues of micro enterprises and small enterprises;		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		99.45	64.53
iii) Other Financial Liabilities	20	920.62	634.81
b) Other Current Liabilities	21	1,808.11	539.53
c) Provisions	22	709.97	409.79
<b>TOTAL</b>		<b>47,130.81</b>	<b>42,747.60</b>
The accompanying accounting policies and notes form an integral part of the standalone financial statements.			
<p><b>PLACE: CHANDIGARH</b>  <b>Dated : 12.05.2022</b></p> <p><b>For &amp; on Behalf of Board of Directors</b></p> <p><b>RAJNEESH BANSAL</b>  Managing Director  DIN-00077230  H. No. 749,  Sec 8, Chandigarh</p> <p><b>RAJESH GARG</b>  Chief Financial Officer  FCA-096484  H. No. 472, Mamta Enclave  Dhakoli, NAC, Zirakpur</p> <p><b>CA. ROHIT GOEL</b>  Partner  (M. No. 091756)</p>			

**PAUL MERCHANTS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2022**

CIN-L74900DL1984PLC018679

Amount in Rs. Lakh

PARTICULARS	Note	CURRENT YEAR 31.03.2022	PREVIOUS YEAR 31.03.2021
<b>I. REVENUE</b>			
Revenue from Operations	23	5,28,073.40	2,96,150.17
Other Income	24	1,950.27	2,212.30
<b>III Total Income (I+II)</b>		<b>5,30,023.66</b>	<b>2,98,362.47</b>
<b>IV. EXPENSES</b>			
Purchase of Foreign Exchange and Services	25	5,18,018.20	2,90,584.26
Changes in Inventories of Stock in Trade	26	13.96	200.33
Direct Expenses	27	6,662.79	3,336.70
Office & Administrative Expenses	28	628.61	577.04
Employee Benefit Expenses	29	1,485.59	1,425.44
Finance Costs	30	43.93	24.10
Sales Promotion Expenses	31	141.15	15.87
Corporate Social Responsibility Expenses	32	29.58	37.19
Other Expenses	33	13.07	35.87
Depreciation & Amortization Expenses	1	184.71	222.77
<b>TOTAL EXPENSES IV</b>		<b>5,27,221.60</b>	<b>2,96,459.58</b>
<b>V. PROFIT BEFORE EXCEPTIONAL ITEMS &amp; TAX (III - IV)</b>		<b>2,802.07</b>	<b>1,902.89</b>
<b>VI. EXCEPTIONAL ITEMS</b>	34	64.23	304.72
<b>VII. PROFIT BEFORE TAX (V - VI)</b>		<b>2,737.84</b>	<b>1,598.17</b>
<b>VIII. TAX EXPENSE</b>			
(1) Current Tax		638.00	336.78
(2) Prior Period Tax		27.14	-16.52
(3) Deferred Tax	42	33.68	10.17
<b>PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII - VIII)</b>		<b>2,039.02</b>	<b>1,267.73</b>
<b>IX. PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS</b>			
X Profit/Loss from Discontinued Operations		0.00	0.00
XI Tax Expense of Discontinued Operations		0.00	0.00
<b>PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X - XI)</b>		0.00	0.00
<b>XIII PROFIT/(LOSS) FOR THE PERIOD (IX+XII)</b>		<b>2,039.02</b>	<b>1,267.73</b>
<b>XIV OTHER COMPREHENSIVE INCOME</b>			
A (i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined benefit obligations		-4.73	8.65
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.19	-2.18
B (i) Items that will be reclassified to profit or loss		0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
<b>XV TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV)</b>		<b>2,035.48</b>	<b>1,274.21</b>
<b>XVI EARNING PER EQUITY SHARE (FOR CONTINUING OPERATION)</b>			
1) BASIC (Rs.)	39	198.35	123.32
2) DILUTED (Rs.)		198.35	123.32
<b>XVII EARNING PER EQUITY SHARE (FOR DISCONTINUED OPERATION)</b>			
1) BASIC (Rs.)		0.00	0.00
2) DILUTED (Rs.)		0.00	0.00
<b>XVIII EARNING PER EQUITY SHARE (FOR CONTINUING &amp; DISCONTINUED OPERATION)</b>			
1) BASIC (Rs.)		198.35	123.32
2) DILUTED (Rs.)		198.35	123.32

The accompanying accounting policies and notes form an integral part of the standalone financial statements.

PLACE: CHANDIGARH  
Dated : 12.05.2022

For & on Behalf of Board of Directors

**RITESH VAID**  
Whole Time Director  
DIN- 09433856  
H. No. 3274/1,  
Sec 40D, Chandigarh

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

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

**RAJESH GARG**  
Chief Financial Officer  
FCA-096484  
H. No. 472, Mamta Enclave  
Dhakoli, NAC, Zirakpur

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

For **RAJIV GOEL AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
(FRN – 011106N)

**CA. ROHIT GOEL**  
Partner  
(M. No. 091756)

**PAUL MERCHANTS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
CIN-L74900DL1984PLC018679

**A Equity Share Capital**

**Changes in equity share capital**

(Rs in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Amount (Rs)	Amount (Rs)
Balance at the beginning of the reporting period	102.80	102.80
Changes in equity share capital during the year	0.00	0.00
Balance at the end of the reporting period	102.80	102.80

**B Other Equity**

**Changes in other equity for the year ended 31st March, 2022**

Amount (Rs in Lakhs)

Particulars	Reserves and Surplus		Total
	Securities premium Account	Retained earnings	
Balance at the beginning of the current reporting period	50.40	40,265.45	40,315.85
Changes in accounting policy or prior period errors			
Restated balance at the beginning of the current reporting period			
Total Comprehensive Income for the current year		2,035.48	2,035.48
Dividends			
Transfer to retained earnings			
Balance at the end of the current reporting period	50.40	42,300.93	42,351.33

**Changes in other equity for the year ended 31st March, 2021**

Amount (Rs in Lakhs)

Particulars	Reserves and Surplus		Total
	Securities premium Account	Retained earnings	
Balance at the beginning of the previous reporting period	50.40	38,991.24	39,041.64
Changes in accounting policy or prior period errors			
Restated balance at the beginning of the previous reporting period			
Total Comprehensive Income for the previous year		1,274.21	1,274.21
Dividends		-	-
Transfer to retained earnings		40,265.45	40,315.85
Balance at the end of the previous reporting period	50.40	40,265.45	40,315.85

**PLACE: CHANDIGARH**

**Dated : 12.05.2022**

**For & on Behalf of Board of Directors**

**AUDITOR'S REPORT:**

**As per our Separate Report of the Even Date**

**RITESH VAID**  
**Whole Time Director**  
**DIN- 09433856**  
H. No. 3274/1,  
Sec 40D, Chandigarh

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

**For RAJIV GOEL AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(FRN – 011106N)**

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

**RAJESH GARG**  
**Chief Financial Officer**  
**FCA-096484**  
H. No. 472, Mamta Enclave  
Dhakoli, NAC, Zirakpur

**CA. ROHIT GOEL**  
**Partner**  
**(M. No. 091756)**

**PAUL MERCHANTS LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31.03.2022**

CIN-L74900DL1984PLC018679

Amount (Rs. In Lakhs)

PARTICULARS	CURRENT YEAR 31.03.2022	PREVIOUS YEAR 31.03.2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	2,737.84	1,598.17
Adjustment for:		-
Depreciation	184.71	222.77
Impairment Loss on JV		304.72
Provision for Expected Credit Loss	3.08	17.72
Profit/Loss on Sale of Fixed Assets	(14.86)	(24.48)
Gain on Sale of MTSS business	-	-
Gain on Sale of Investments	22.45	(257.88)
Unrealized Gain on Sale of Investments	2.29	(98.28)
Finance Cost	43.93	24.10
Short Term Provisions	300.18	24.18
Long Term Provisions	14.56	1.61
Rental Income	(50.93)	(105.13)
Interest Income	(1,681.96)	(1,434.39)
Dividend Received	(145.65)	(255.02)
Other Comprehensive Income	(4.73)	8.65
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>1,410.91</b>	<b>26.72</b>
Adjustment for :		
Net changes in operating Assets & Liabilities		
Inventory	13.96	200.98
Trade receivable	(51.02)	222.43
Other Bank Balance	82.95	(215.05)
Current Tax Assets	(152.61)	13.61
Other Current Assets	(0.77)	1.86
Trade Payables	34.91	(93.02)
Increase in Other Financial Liabilities	285.81	(34.06)
Other Current Liabilities	1,268.58	(289.63)
<b>CASH FROM/(USED IN) OPERATIONS</b>	<b>2,892.73</b>	<b>(166.15)</b>
Income Taxes Paid	(665.14)	(320.27)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>2,227.59</b>	<b>(486.42)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	42.91	105.60
Purchase of Fixed Assets	(96.59)	(41.79)
Increase in Loans and advances	-	-
Non Current Investments	(40.40)	0.00
Other Non Current Financial Assets	(3.08)	-
Current Investments	725.49	2,078.82
Short Term Loans & Advances	(4,675.98)	(3,553.73)
Decrease in Other Long Term Liabilities	-	8.45
Rental Income	50.93	105.13
Interest Income	1,681.96	1,434.39
Dividend Income	145.65	255.02
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>(2,169.11)</b>	<b>391.91</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	-	-
Borrowings (Net of Repayments)		
Long Term Borrowings	-	-
Short Term Borrowings	443.69	431.74
Finance Cost	(43.93)	(24.10)
<b>NET CASH FROM/ (USED) IN FINANCING ACTIVITIES</b>	<b>399.75</b>	<b>407.65</b>
Net Change in Cash & Cash Equivalents (A+B+C)	458.22	313.14
Cash and Cash equivalent at the beginning of the year	650.43	337.29
<b>Cash and Cash equivalents at the end of the year</b>	<b>1,108.65</b>	<b>650.43</b>

Place : Chandigarh.  
Dated : 12.05.2022

For & on behalf of Board of Directors

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

(RAJESH GARG)  
Chief Financial Officer  
FCA-096484  
H. No. 472, Mamta Enclave  
Dhakoli, NAC, Zirakpur

(RAJNEESH BANSAL)  
Managing Director  
DIN-00077230  
H. No. 749,  
Sec 8, Chandigarh

(RITESH VAID)  
Whole Time Director  
DIN- 09433856  
H. No. 3274/1,  
Sec 40D, Chandigarh

**AUDITOR'S CERTIFICATE**

We have examined the Cash flow Statement of Paul Merchants Limited for the year ended 31st March 2022. 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 RAJIV GOEL AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
(FRN - 011106N)

Place: Chandigarh  
Dated : 12.05.2022

CA. ROHIT GOEL  
Partner  
(M. No. 091756)

## **SIGNIFICANT ACCOUNTING POLICIES**

### **A. Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and relevant amendment rules issued thereafter. The financial statements comply in all material aspects with said Indian Accounting Standards.

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

Revised Schedule III to Companies Act, 2013 has been made applicable to the Company , changes made if any are in compliance to the same

The figures appearing in financial statement has been rounded off to nearest lakhs as per requirement of Schedule III to the Companies Act

### **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 and defined benefit plans which have been measured at actuarial valuations.

### **C. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

### **D. Property, Plant and Equipment (PPE)**

The items of Property Plant & equipment are measured at Cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation (if any), less accumulated depreciation and impairment loss, if any. All costs, including financing costs, attributable to the fixed assets are capitalized.

The Company had opted to measure all its property, plant and equipment and intangible assets at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition to Ind AS.

### **E. Depreciation**

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) in the manner prescribed in Schedule II to the Companies Act, 2013 over their remaining useful life on pro-rata basis.

### **F Impairment of Assets**

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



## **G. Foreign Currency Transactions**

- 1 Purchases and sales of foreign currencies and traveller's cheques are accounted at the contracted rates. Other transactions in foreign currencies are initially recognised at the rate at which the transaction is entered into. On settlement of such transactions the profit/loss arising from exchange differences is recognised in the Statement of profit and loss. Receipts of foreign exchange in money transfer are accounted on the prevalent bank conversion rate or forward contract rate as the case may be and the profit / loss arising from exchange differences is recognised in the Statement of profit and loss
- 2 Similarly all other Foreign Currency transactions have also been recorded at exchange rate prevailing on the date of the transaction.  
Foreign Currency Fixed Deposits, Balances in Foreign Currency Bank Accounts and other Foreign Currency
- 3 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 which are stated at cost.

## **I. Inventories**

Stock of Foreign Currency/TC held for trading purposes has been valued at cost. During the year Stock of shares has been treated as Current Investment and resultant Gain has been booked in Income

## **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 2022 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

**R. Leases**

The Company has complied with IND AS 116 "Leases" applicable from 1 April 2019, and considered all material lease contracts existing on April 1, 2019. The Company has accounted for its short term leases and low value assets in accordance with para 6 of the IND AS. The cancellable leases are considered as short term leases therefore no right to use assets has been recognized as per exemption available under the IND AS 116.

**S. FINANCIAL INSTRUMENTS**

**(i) Recognition and measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March 2022**

**Note 1: PROPERTY, PLANT AND EQUIPMENT**

Rs in Lakhs

PARTICULARS	Rate of Depreciation	Useful Life of	Gross Block (Amount in Rupees)				Accumulated Depreciation (Amount in Rupees)					Net Block (Amount in Rupees)	
	in %	In Years	Balance as at 1 April 2021	Additions	Disposals	Balance as at 31st March 2022	Balance as at 1 April 2021	Depreciation/Amortization charge for the year	On disposals	Adjustments/transfer to Held for Sale	Balance as at 31st March 2022	Balance as at 31st March 2021	Balance as at 31st March 2022
Land	NA	NA	3,753.87	-	-	3,753.87	-	-	-	-	-	3,753.87	3,753.87
Buildings	0.05	60.00	2,543.10	-	-	2,543.10	670.20	91.20	-	-	761.39	1,872.90	1,781.71
Computers & Desktop	0.63	3.00	314.95	16.07	3.16	327.86	288.96	11.66	3.00	-	297.62	25.99	30.24
Servers & Networks	0.39	6.00	81.08	-	0.56	80.52	74.27	1.56	0.53	-	75.30	6.81	5.22
Furniture and Fittings	0.26	10.00	375.73	8.04	0.44	383.33	302.60	17.29	0.37	-	319.51	73.13	63.82
Motor Cars	0.31	8.00	540.47	-	124.19	416.28	411.09	38.35	117.69	-	331.74	129.38	84.54
Motor Cycles	0.26	10.00	1.35	-	0.18	1.17	0.99	0.09	0.17	-	0.91	0.36	0.26
Office Equipments	0.45	5.00	151.64	9.98	28.70	132.91	126.11	11.70	27.27	-	110.54	25.53	22.37
Electrical Installations & Equipments	0.26	10.00	164.42	8.05	3.70	168.78	138.46	6.76	3.44	-	141.78	25.96	27.00
Plant & Machinery (Solar Power Plant)	0.18	15.00	24.20	-	-	24.20	13.99	1.85	-	-	15.84	10.21	8.36
<b>Leasehold Improvements</b>			<b>37.30</b>	<b>-</b>	<b>-</b>	<b>37.30</b>	<b>33.54</b>	<b>1.39</b>	<b>-</b>	<b>-</b>	<b>34.93</b>	<b>3.76</b>	<b>2.37</b>
Leasehold Improvements 3 Yrs	0.63	3.00	12.44	-	-	12.44	11.81	-	-	-	11.81	0.62	0.62
Leasehold Improvements 5 Yrs	0.45	5.00	24.86	-	-	24.86	21.73	1.39	-	-	23.12	3.14	1.74
<b>Intangible Assets</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortization on Computer Software		10.00	-	54.45	-	54.45	-	2.87	-	-	2.87	-	51.58
<b>Intangible Assets Under Development</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Software			19.60	-	19.60	-	-	-	-	-	-	19.60	-
<b>Capital Work in Process</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Current Year</b>			<b>8,007.72</b>	<b>96.59</b>	<b>180.53</b>	<b>7,923.78</b>	<b>2,060.21</b>	<b>184.71</b>	<b>152.48</b>	<b>-</b>	<b>2,092.44</b>	<b>5,947.51</b>	<b>5,831.34</b>
<b>Total Previous Year</b>			<b>8,117.31</b>	<b>41.79</b>	<b>151.38</b>	<b>8,007.72</b>	<b>1,907.70</b>	<b>222.77</b>	<b>70.26</b>	<b>-</b>	<b>2,060.21</b>	<b>6,209.61</b>	<b>5,947.51</b>

\* Land & Building at SCO 827-828, Chandigarh mortgaged with ICICI Bank Limited and at # 749 Sector 8 Chandigarh & DSM 335-337, 346-347 DLF Delhi, Flat No. 2203, 22nd Floor, Wing C, DB Woods, Mumbai, Unit no A/303, 3rd Floor, Kanakia Zillion, Wing A, LBS Marg, Kurla(west), Mumbai, Shop No 3, UGF, 37, Cantt Road, Lucknow mortgaged with State Bank of India for OD limit taken by Wholly owned subsidiary - Paul Merchants Finance Private Limited. Property at Zirakpur is given as security against Short Term Loan from Bajaj Finance Ltd taken by Paul Merchants Limited

**Note 2: FINANCIAL ASSETS - NON CURRENT INVESTMENTS**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
<b>(i) Investments in Equity Shares (unquoted, fully paid up, at cost)</b>		
<b>Investments in Subsidiary</b>		
Paul Merchants Finance Private Limited 3,10,17,175 Equity Shares having Face Value of Rs 10 each (Previous Year 3,10,17,175 Equity Shares having Face value of Rs 10 each)	14,076.27	14,076.27
PML Realtors Private Limited 2,50,00,000 Equity Shares having Face value of Rs 10 each (Previous Year 2,50,00,000 Equity Shares having Face value of Rs 10 each)	2,500.00	2,500.00
<b>(ii) Other Investments</b>		
<b>Investments in Joint Venture*</b>		-
19.42% JV Investment (Previous Year 19.42%) in Horizon Remit SDN BHD, Malaysia	-	-
Investment in Paul Innovations LLP	40.40	-
<b>Total</b>	<b>16,616.67</b>	<b>16,576.27</b>

\* Please refer to Note 37 &amp; 38

**Note 3: OTHER FINANCIAL ASSETS**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Advance against Property	70.88	70.88
Less: Provision for Expected credit Loss	-17.72	-17.72
<b>Total</b>	<b>53.16</b>	<b>53.16</b>

**Note 4: DEFERRED TAX ASSETS**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Opening Balances	215.55	227.90
Add/Less: Deferred Tax Assets created/(written back) during the year	-32.49	-12.35
<b>Total</b>	<b>183.06</b>	<b>215.55</b>

**Note 5: INVENTORIES**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Stock of Foreign Currency at Cost	459.39	473.35
Work in Progress*	20.81	20.81
<b>Total</b>	<b>480.19</b>	<b>494.16</b>

\* Amount incurred towards Development of Travel Software for Sale.

**Note 6: FINANCIAL ASSETS -CURRENT INVESTMENTS**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Investments measured at Fair Value Through Profit &amp; Loss</b>		
<b>Investment in Mutual Funds Quoted at FVTPL</b>		
Aditya Birla Sun Life Corporate Bond Fund	0.34	0.33
Axis Focused 25 Fund Direct Plan Growth	15.32	13.16
HDFC Small Cap Fund Direct Plan Growth	16.39	12.08
ICICI Prudential Liquid Direct Plan Growth	-	1.03
HDFC Equity Savings Fund Direct Plan Growth Folio	9.40	7.37
L&T Liquid Fund	4.71	4.55
L&T India Value Fund Direct Plan Growth	5.75	4.51
IDFC Fixed Term Plan Series 149 Direct Plan*	390.37	374.92
Kotak Standard Multicap Fund Direct Plan Growth	14.52	12.44
Mirae Asset India Equity Fund Direct Plan	15.02	12.57
ASK Investment Managers Limited -Domestic Resurgence PMS	40.71	35.62
ASK Investment Managers Limited IEP PMS A/C	42.85	35.58
L & T Ultra Short Term (G)	7.30	7.05
HDFC Ultra Short Term Fund-Regular Plan Growth	10.46	10.09
Aditya Birla Sunlife Liquid Fund INF209K01RU9	15.11	14.62
HDFC Liquid Fund _ 13393612/56	7.29	7.05
IDFC Money Manager Fund INF194K01LG9	11.30	10.96
<b>Investments in Tax Free Bonds -Quoted at FVTPL- Pledged *</b>		
7.03 % Housing and Urban Development Corporation Limited*	124.04	126.77
8.56 % Housing and Urban Development Corporation Limited*	265.12	272.60
8.48% India Infrastructure Finance Company Limited*	628.60	644.68
8.54% Power Finance Corporation Limited *	624.79	641.76
8.46 % Rural Electrification Corporation Limited Bond. *	238.85	245.20
7.22% Rural Electrification Corporation Limited *	136.38	139.83
7.55% Indian Railway Finance corporation *	-	210.03
8.20% NHAI 2022 *	-	214.76
8.20% Power Finance Corporation Ltd *	-	149.31
7.62% HUDCO 11 Nov 21 *	-	209.10
8.23% IRFC 18 Feb 24 *	57.55	58.55

Particulars	As at 31st March 2022	As at 31st March 2021
Investments in Preference Shares- Quoted at FVTPL		
6% Zee Entertainment Enterprises Limited	-	56.42
Investments in Equity Shares- Quoted at FVTPL	2.91	1.55
Investments in Equity- Unquoted at FVTPL	0.08	0.04
Investments in Structured Entity - Unquoted at FVTPL		
India Real Estate Investment Fund	306.34	207.20
Total (A)	2,991.49	3,741.73
<b>Total</b>	<b>2,991.49</b>	<b>3,741.73</b>

\*As on 31 March 2022 Tax free bonds valued and MLD Valued at Rs 2465 lakh (Previous Year Rs 3287 lakh ) are pledged with Kotak Bank for Over Draft limits of Rs 2990 lakh (Rs at Rs. 2990 Lakh as on 31st March 2021) pledged with Kotak Bank for Over Draft limits taken by Paul Merchants Finance Private limited (Wholly owned Subsidiary of the company)

Particulars	As at 31st March 2022	As at 31st March 2021
Aggregate Value of Quoted Investments	2,685.07	3,534.49
Aggregate Value of Unquoted Investments	306.42	207.24
<b>Total</b>	<b>2,991.49</b>	<b>3,741.73</b>

**Note 7: FINANCIAL ASSETS- TRADE RECEIVABLES**

Rs in Lakhs

Particulars	As at 31st March 2022					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total
<b>Trade receivables</b>						
(i) Undisputed Trade Receivables, considered good	202.79	-	8.78	3.28	3.45	218.29
(ii) Undisputed Trade Receivables, considered doubtful						
(iii) Disputed Trade Receivables, considered good	0.64	-	-	31.15	24.12	55.91
(iv) Disputed Trade Receivables, considered doubtful	-	-				
Less: Provision for doubtful debts		-			-3.08	-3.08
	203.43	-	8.78	34.43	24.49	271.12
<b>Total</b>	<b>203.43</b>	<b>-</b>	<b>8.78</b>	<b>34.43</b>	<b>24.49</b>	<b>271.12</b>

Particulars	As at 31st March 2021					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total
<b>Trade receivables</b>						
(i) Undisputed Trade Receivables, considered good	149.65	0.32	19.07	-	-	169.04
(ii) Undisputed Trade Receivables, considered doubtful						
(iii) Disputed Trade Receivables, considered good	-	-	15.39	0.88	34.80	51.07
(iv) Disputed Trade Receivables, considered doubtful						
Less: Provision for doubtful debts		-				-
	149.65	0.32	34.45	0.88	34.80	220.10
<b>Total</b>	<b>149.65</b>	<b>0.32</b>	<b>34.45</b>	<b>0.88</b>	<b>34.80</b>	<b>220.10</b>

Trade Receivable stated above include debts due by:

Particulars	As at 31st March 2022	As at 31st March 2021
	Amount ( In Rs. lakh)	Amount ( In Rs. lakh)
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
	-	-

**Note 8: FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Cash and cash equivalents</b>		
i) Cash in hand	176.37	198.60
ii) In Current Accounts	932.28	451.82
	<b>1,108.65</b>	<b>650.43</b>

**Note 9: FINANCIAL ASSETS - BALANCE WITH BANKS OTHER THAN CASH AND CASH EQUIVAL**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other Balances with Banks</b>		
i) In Term Deposit Accounts with > 3 month and <12 months maturity	38.17	43.59
ii) In earmarked Term Deposit Accounts		-
a. Pledged FD *	-	210.26
b. Margin money	60.34	57.53
c. Guarantees & Other Commitments	4.02	3.83
d. For Overdraft Facility	129.72	-
iii) In Unclaimed dividend accounts	0.22	0.22
	<b>232.48</b>	<b>315.42</b>

\* Fixed deposit Pledged with State bank of India for borrowing facilities availed by wholly Owned Subsidiary company Paul Merchants Finance Private Limited

**Note 10: FINANCIAL ASSETS - SHORT TERM LOANS**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Loan to Related Party</b>		
<b>Unsecured, Considered Good</b>		
Working capital limit to Paul Merchants Finance Pvt Ltd (Wholly Owned Subsidiary)	18,481.62	13,788.50
	<b>18,481.62</b>	<b>13,788.50</b>

**Note 11: FINANCIAL ASSETS - SHORT TERM ADVANCES**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Others</b>		
<b>Unsecured, Considered Good</b>		
1. Advances to Other Parties (Net)	64.70	72.04
2. Security Deposits	34.66	30.34
3. Staff Imprest	0.35	10.89
4. Claims Recoverable	1.87	5.46
<b>Total (B)</b>	<b>101.58</b>	<b>118.72</b>

**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. lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is also a director	18,481.62	13,788.50
	<b>18,481.62</b>	<b>13,788.50</b>

\* Working capital Limit to Paul Merchants Finance Pvt Ltd (Wholly Owned Subsidiary)

**Note 12: Current tax Assets**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Balances with government authorities		
a. GST Input Credit	10.75	6.02
b. Advance Tax	455.00	127.00
c. Tax Deducted at Source	224.19	160.17
d. Tax Refund	78.87	323.02
<b>Total</b>	<b>768.82</b>	<b>616.21</b>

**Note 13: OTHER CURRENT ASSETS**

Particulars	As at 31st March 2022	As at 31st March 2021
Prepaid expenses	10.61	9.84
<b>Total</b>	<b>10.61</b>	<b>9.84</b>

**Note 15: OTHER EQUITY**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
<b>A. Securities Premium Account</b>		
Opening Balance	50.40	50.40
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilized	-	-
<b>Closing Balance</b>	<b>50.40</b>	<b>50.40</b>
<b>B. Reserve and Surplus</b>		
Opening Balance	40,265.45	38,991.24
(+) Profit for Current Year	2,039.02	1,267.73
Other Comprehensive Income/(loss) (net of tax)	(3.54)	6.47
<b>Closing Balance</b>	<b>42,300.93</b>	<b>40,265.45</b>
<b>Total</b>	<b>42,351.33</b>	<b>40,315.85</b>

**Note 16: LEASED LIABILITIES**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred Income	0.45	1.08
Security deposits received	8.00	7.37
<b>Total</b>	<b>8.45</b>	<b>8.45</b>

**Note 17: LONG TERM PROVISIONS**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for employee benefits		
Gratuity - Unfunded	178.77	164.22
<b>Total</b>	<b>178.77</b>	<b>164.22</b>



**CURRENT FINANCIAL LIABILITIES**
**Note 18: CURRENT FINANCIAL LIABILITIES - BORROWINGS**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
<b>A. SECURED</b>		
<b>Loans repayable on demand- From Banks</b>		
(i) Cash Credit Facility (CC) (Secured by Inventory and Debtors (future & current) and Hypothecation of one Property)	451.32	507.63
(ii) Short Term Loan from Bajaj Finance Ltd ( Secured by Property situated at zirakpur) (Short Term Revolving Loan (STRL) Facility secured by commercial property situated at zirakpur)	500.00	-
<b>Current maturities of long-term debt</b>		
a. Loans from ICICI Bank (Secured by Hypothecation of Property)	-	-
b. Car Loans from KOTAK MAHINDRA Bank (Secured by Hypothecation of Cars)	-	-
<b>Total</b>	<b>951.32</b>	<b>507.63</b>

**Note 19: FINANCIAL LIABILITIES - TRADE PAYABLES**

Rs in Lakhs

Particulars	As at 31st March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Sundry Creditors</b>	<b>83.04</b>	<b>3.26</b>	<b>3.35</b>	<b>9.80</b>	<b>99.45</b>
Sundry Creditors - Forex					
(i) MSME					
(ii) Others	25.96	1.58	0.04	9.80	37.38
(iii) Disputed Dues - MSME					
(iv) Disputed Dues - Others					
Sundry Creditors - Travel					
(i) MSME					
(ii) Others	57.09	1.67	3.31	-	62.06
(iii) Disputed Dues - MSME					
(iv) Disputed Dues - Others					
<b>Total</b>	<b>83.04</b>	<b>3.26</b>	<b>3.35</b>	<b>9.80</b>	<b>99.45</b>

**Note 19: FINANCIAL LIABILITIES - TRADE PAYABLES**

Rs in Lakhs

Particulars	As at 31st March 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Sundry Creditors</b>	<b>18.58</b>	<b>26.99</b>	<b>5.52</b>	<b>13.45</b>	<b>64.53</b>
Sundry Creditors - Forex					-
(i) MSME					
(ii) Others	1.65	23.79	5.52	9.75	40.71
(iii) Disputed Dues - MSME					
(iv) Disputed Dues - Others					
Sundry Creditors - Travel					-
(i) MSME					
(ii) Others	16.93	3.20	-	3.70	23.83
(iii) Disputed Dues - MSME					
(iv) Disputed Dues - Others					
<b>Total</b>	<b>18.58</b>	<b>26.99</b>	<b>5.52</b>	<b>13.45</b>	<b>64.53</b>

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Disclosure under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 31st March 2022	As at 31st March 2021
	Amount ( In Rs. lakh)	Amount ( In Rs. lakh)
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	NIL	NIL
(ii) the amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act	NIL	NIL
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	NIL	NIL

**Note 20: OTHER SHORT TERM FINANCIAL LIABILITIES**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Security deposits	3.20	3.20
(b) Statutory Payables		
(i) PF Payable	10.57	8.80
(ii) ESI Payable	0.75	0.73
(iii) TDS Payable	79.47	26.27
(iv) TCS Payable	144.37	126.95
(v) GST Payable	48.15	49.33
(v) Dividend Payable	-	-
(vi) Kerala Cess Payable	-	0.04
(c) Expenses Payable	301.86	208.83
(d) Unclaimed dividends	0.22	0.22
(e) Other payables	332.03	210.44
<b>Total</b>	<b>920.62</b>	<b>634.81</b>

**Note 21: OTHER CURRENT LIABILITIES**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Revenue Received in Advance	1,808.11	539.53
<b>Total</b>	<b>1,808.11</b>	<b>539.53</b>

**Disclosure under Rule 16A of the Companies (Acceptance of Deposits) Rules, 2014**

Particulars	As at 31st March 2022	As at 31st March 2021
	Amount ( In Rs. lakh)	Amount ( In Rs. lakh)
Advance Received from Directors	NIL	NIL
Advance Received from relatives of Directors	NIL	NIL

**Note 22: SHORT TERMS PROVISIONS**

Rs in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
<b>(a) Provision for employee benefits</b>	71.20	0.00
Gratuity - Unfunded	7.75	6.88
Leave Encashment	22.37	17.85
Bonus	41.08	41.35
<b>(b) Others (Specify nature)</b>		
Provision for Taxes	638.76	343.70
Provision for CSR Expenses	-	-
<b>Total</b>	<b>709.97</b>	<b>409.79</b>

**Note 23: REVENUE FROM OPERATIONS**

Rs in Lakhs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
<b>Sale of Services</b>		
Foreign Exchange	5,26,625.57	2,95,259.14
FX Service Charges	480.82	249.15
Sales of Hotel Bookings & Packages	61.61	9.15
Revenue from Air Ticketing	104.13	41.95
Revenue from Hotel Bookings & Packages	9.92	4.84
Revenue from Visa ,Bus Bookings, Railway	4.05	1.80
<b>Total - Sale of Services</b>	<b>5,27,286.11</b>	<b>2,95,566.04</b>
<b>Other Operating Revenues</b>		
<b>Rewards &amp; Incentives</b>	<b>15.46</b>	<b>11.45</b>
- FX Incentive	-	0.98
-Travel Incentive	15.46	10.47
<b>Credit Card Encashment</b>	<b>8.03</b>	<b>8.02</b>
<b>Other Service charges</b>	<b>763.80</b>	<b>564.67</b>
AD-1 Referral - Commission	713.17	511.64
International Money Transfer- Commission	37.72	43.43
Domestic Money Transfer - Commission	12.91	9.59
<b>Total - Other Operating Revenues</b>	<b>787.29</b>	<b>584.13</b>
<b>Total Revenue From Operations</b>	<b>5,28,073.40</b>	<b>2,96,150.17</b>

**Note 24: OTHER INCOME**

Rs in Lakhs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
<b>A. Interest Income</b>		
1. Interest on Bank Deposits	12.18	8.98
2. Other Interest	1,669.78	1,425.40
- Fincap	1,448.21	1,196.10
- Tax free Bonds	184.34	199.16
- India real estate	37.12	1.38
- DLF ,Travel Staff loan etc. Others	0.11	1.69
3. Interest on Income Tax Refund	12.85	14.30
<b>B. Dividend Income</b>	145.65	255.02
<b>C. Net Gain on Sale/Fair Valuation of investments</b>	<b>(24.74)</b>	<b>356.16</b>
1. Realized Gain on Sale of investments	(22.45)	257.88
2. Net Unrealized gain/ (loss) on financial instruments at fair value through profit or loss	(2.29)	98.28
<b>D. Other non-operating income</b>	<b>134.55</b>	<b>152.42</b>
1. Rental Income	50.93	105.13
2. Profit on sale of Fixed Assets	14.86	24.48
3. Franchisee Fees	0.28	0.19
4. Miscellaneous Income	67.86	22.03
5.Fair Valuation gain on Financial Assets	0.63	0.58
<b>Total</b>	<b>1,950.27</b>	<b>2,212.30</b>

**Note 25: Purchase of Foreign Exchange and Services**

Rs in Lakhs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Foreign Exchange	5,17,965.06	2,90,555.24
Hotel Bookings & Packages	53.14	8.22
Work in progress	-	20.81
<b>Total</b>	<b>5,18,018.20</b>	<b>2,90,584.26</b>

**Note 26: Changes in Inventories of Stock in Trade**

Rs in Lakhs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Closing Stock of Foreign Exchange & Work in Progress	480.19	494.16
Opening Stock of Foreign Exchange	494.16	694.49
<b>NET DECREASE/(INCREASE)</b>	<b>13.96</b>	<b>200.33</b>

**Note 27: DIRECT EXPENSES**

Rs in Lakhs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
<b>COMMISSION AND INCENTIVES</b>	<b>6,662.79</b>	<b>3,336.70</b>
Forex Agents - AD-2	6,281.09	3,068.21
Forex Agents - AD-1 Referral	378.20	268.49
Travel agent	3.49	
<b>Total</b>	<b>6,662.79</b>	<b>3,336.70</b>

**Note 28: OFFICE & ADMINISTRATIVE EXPENSES**

Rs in Lakhs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Brokerage	-	1.02
Communication Expenses	32.23	33.10
Computer Expenses	43.83	44.34
Conference Expenses	0.14	1.09
Conveyance Expenses	22.17	12.38
Generator Running Expenses	0.83	0.64
Insurance	16.57	20.07
Legal, Professional & Outsourcing	60.79	87.70
Statutory Audit Fees	1.50	1.50
Tax Audit Fees	0.50	0.50
Postage & Telegram	9.93	10.92
Power and Water Expenses	38.41	31.95
Printing and stationery	13.37	7.98
Rates and taxes	8.56	8.73
Rent	194.72	188.04
Repairs and maintenance	95.12	69.09
Office maintenance	7.50	3.28
Security Services	21.79	14.47
Travelling Expenses	36.21	25.71
Vehicle Running & Maintenances	19.92	10.80
Portfolio Management Services	2.00	1.26
Office Expenses	2.52	2.48
<b>Total</b>	<b>628.61</b>	<b>577.04</b>

Payments to the auditor	For the Year ended 31st March 2022	For the Year ended 31st March 2021
	Amount ( In Rs. lakh)	Amount ( In Rs. lakh)
Statutory Audit Fees	1.50	1.50
Tax Audit Fees	0.50	0.50
GST Audit fee	-	1.50
For other Services	1.30	-
<b>Total</b>	<b>3.30</b>	<b>3.50</b>

**Note 29: EMPLOYEE BENEFIT EXPENSES**

Rs in Lakhs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Salaries & Employee Benefits	1,352.14	1,312.39
Salaries & Allowances	1,287.68	1,246.20
Bonus	41.25	42.12
Leave Encashment	23.21	24.07
<b>Contributions to:</b>		-
(i) Provident Fund	57.52	53.60
(ii) ESI	7.22	7.51
(iii) NPS	1.54	1.39
Gratuity	30.63	29.78
Staff Recruitment Expenses	0.01	0.23
Staff welfare expenses	36.53	20.54
<b>Total</b>	<b>1,485.59</b>	<b>1,425.44</b>

**Note 30: FINANCE COSTS**

Rs in Lakhs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
<b>Interest Expenses:</b>		
Interest on Demand Loans	5.86	5.84
Interest on Term Loans	8.66	0.19
Notional Interest on Security Deposit	0.63	0.58
<b>Other Finance Expenses:</b>		
Bank Charges	27.95	16.47
Credit Card Charges	0.83	1.01
<b>Total</b>	<b>43.93</b>	<b>24.10</b>

**Note 31: SALES PROMOTION EXPENSES**

Rs in Lakhs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Advertisement & Publicity	69.53	6.81
Business Promotion	71.62	9.06
<b>Total</b>	<b>141.15</b>	<b>15.87</b>

**Note 32: CSR- CORPORATE SOCIAL RESPONSIBILITY**

Rs in Lakhs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Gross Amount Required to be spent by the Co. During the Year	29.46	36.08
<b>A) Amount Spent During the year</b>	<b>Amount Paid</b>	<b>Amount Paid</b>
Animal Welfare	-	1.23
Promoting Healthcare	20.48	26.10
Employment enhancing Vocation skills	0.76	0.74
Promoting education	6.95	4.71
Administrative overheads (including Salary of one employee dedicated for CSR activities)	1.40	1.90
Restoration of historical sites	-	2.51
<b>B) AMOUNT YET TO BE PAID</b>	<b>NIL</b>	<b>NIL</b>
<b>Total</b>	<b>29.58</b>	<b>37.19</b>

**Note 33: OTHER EXPENSES**

Rs in Lakhs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Donations	0.60	10.87
Provision for Expected Credit Loss	3.08	17.72
Fees & Subscriptions	9.40	7.28
<b>Total</b>	<b>13.07</b>	<b>35.87</b>

**Note 34: EXCEPTIONAL ITEMS**

Rs in Lakhs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Share in liability towards Loss incurred by Joint Venture	64.23	-
Impairment of Investment in Joint Venture*	-	304.72

The Company had entered into a Share purchase agreement (SPA) with Al Jadeed Investment International SPC, Muscat, Sultanate of Oman for sale of its entire shareholding in the Joint Venture (JV) M/s Horizon Remit Sdn. Bhd., Malaysia. The completion of transfer as per the said SPA is subject to approval by Bank Negara Malaysia and Reserve Bank of India (RBI), for which approval from RBI is pending as on date though applied for by the Company. As per agreed terms, the existing shareholders of the JV are to ensure that the company does not have any outstanding liabilities on the date of transfer of the Company to the purchaser and as such entire sale consideration would be remitted by the purchaser directly to outstanding creditor of the JV, i.e. Western Union. Further, to clear off balance liabilities, a sum of USD 86,820 equal to Rs. 64.22 lakhs has been finally ascertained to be payable to Western Union on that account. The said amount has been estimated on basis of unaudited financial position of the JV as of 31st December, 2021 and as such the said amount has been reflected as Exceptional Item above.

\* During the previous year ended 31st Mar 2021, the Company had provided for impairment in value of its investment in Malaysian Joint Venture Horizon Remit Sdn. Bhd. amounting to Rs 304.72 Lakhs. This impairment had been chiefly triggered due to significant financial difficulties faced by said JV for the past some time which got irreparably aggravated due to Covid-19 outbreak last year as a result of which the JV had continued to incur significant losses. The entire cost of investment had been recognised as impairment loss as the net recoverable amount after adjusting for costs of disposal associated with the investment was evaluated to be Nil on the basis of financial statements of the JV.

**Note 35: OTHER COMPREHENSIVE INCOME**

Rs in Lakhs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Remeasurement (Gain)Loss on defined benefit obligations	4.73	(8.65)
Income tax relating to above	(1.19)	2.18
<b>Remeasurement Loss on defined benefit obligations (net of Tax)</b>	<b>3.54</b>	<b>(6.47)</b>

**Note 36. MANAGERIAL REMUNERATION**

During the year the company incurred an expense towards managerial remuneration as detailed below:

Name of Director	Designation	For the Year ended 31st March 2022 Rs. In Lacs	For the Year ended 31st March 2021 Rs. In Lacs
Mr. Sat Paul Bansal	Chairman cum Managing Director till 31.08.2020, appointed as non executive director w.e.f 08.06.2021	0.00	166.20
Mr. Rajneesh Bansal	Managing Director w.e.f 01.09.2020	263.57	159.68
Mr. Dharam Pal Sharma	Whole Time Director	10.31	8.70
Mr. Ritesh Vaid*	Designated Director w.e.f 10.02.2022	4.70	0.00
<b>Total</b>		<b>278.58</b>	<b>334.58</b>

\* Includes reimbursement of helper expenses

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

Particulars	For the Year ended 31st March 2022 Rs. In Lacs	For the Year ended 31st March 2021 Rs. In Lacs
Profit Before Tax & Exceptional Items	2,802.07	1,902.89
Add: Managerial Remuneration	278.58	334.58
Add: Loss (Profit) on Sale of Fixed Assets	(14.86)	(24.48)
Add: Provision for Expected Credit Loss	3.08	17.72
Add: Notional Interest on SD	0.63	0.58
Less: Fair Value Gain on Financial Asset	(0.63)	(0.58)
Less: Profit on Sale of Investments	22.45	(257.88)
Add: Unrealized loss (Gain) on Investment	2.29	(98.28)
<b>Net Profit for the Year</b>	<b>3,093.61</b>	<b>1,874.54</b>

The Remuneration of Sh. Rajneesh Bansal, Managing Director had been approved by the Shareholders of the Company by way of Special Resolution passed in their Annual General Meeting held on 29.09.2020, wherein the Shareholders had approved payment of the above remuneration irrespective of the Profits and even in the event of absence or inadequacy of profits in any financial year. Vide the said Special Resolution, the shareholders had further approved that the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013.

The Remuneration of Sh. Dharam Pal Sharma, Whole Time Director had been approved by the Shareholders of the Company by way of Special Resolution passed in their Annual General Meeting held on 29.09.2020, wherein the Shareholders had approved payment of the above remuneration irrespective of the Profits and even in the event of absence or inadequacy of profits in any financial year. Vide the said Special Resolution, the shareholders had further approved that the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013.

The Remuneration of Sh. Ritesh Vaid, Whole Time Director had been approved by the Shareholders of the Company by way of Special Resolution passed through Postal Ballot Process on 29.03.2022, wherein the Shareholders had approved payment of the above remuneration irrespective of the Profits and even in the event of absence or inadequacy of profits in any financial year. Vide the said Special Resolution, the shareholders had further approved that the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013.

**Note 37. CONTINGENT LIABILITY NOT PROVIDED FOR**

Particulars	As at 31st March 2022 (Rs. In Lacs)	As at 31st March 2021 (Rs. In Lacs)
Claims against company not acknowledged as Debt	10.55	10.34
Outstanding Bank Guarantees	20.00	20.00
Service Tax Demand Notice pending Departmental Appeal with High Court (excl. Interest) including Penalty	670.84	670.84
Corporate Guarantee in Respect of OD Limits taken by Paul Merchants Finance Private Limited Company from Kotak Bank , ICICI Bank, State Bank of India, AU Small Finance Bank and IDBI	18,490.00	9,990.00
Income Tax Demand Notice for AY 2017-18 pending before AO for rectification	1.14	211.72
Income Tax Demand Notice pending for AY 2020-21 pending before AO for rectification	99.25	-
Demand by Enforcement Directorate	540.00	540.00
Liability in respect of Malaysia JV( Pls refer to Note 38)	-	95.48
<b>Total</b>	<b>19,831.78</b>	<b>11,538.38</b>



**Note 38. Joint Venture/Partnership Details**

The company has a Joint Venture (JV) in Malaysia named M/s Horizon Remit SDN BHD (formally M/s Prabhu Remit SDN BHD) having 19.424% share. The other partners in the said JV are Delphi World Money Limited (earlier EbixCash World Money India Limited and earlier known as Weizmann Forex Ltd.) having 19.424% share (Previous Year 19.424%), Western Union Processing Ltd., Ireland, having 40% share (Previous Year 40%) and Transcorp Enterprises Limited, India having 20% share (Previous Year 20%). The stake was acquired by purchase of shares from the then promoters of the JV in the year 2010 and then by direct acquisition of shares from time to time. The Other Details pursuant to Financial Reporting of Interests in Joint Ventures are as follows:

(Rs. In Lacs)

Particulars	(Rs. In Lacs)	
	As at 31st March 2022	As at 31st March 2021
Interest in JV (%)	19.42%	19.42%
Investment in JV	304.72	304.72
Less: Impairment Loss	(304.72)	(304.72)
<b>Value of Capitalized Investment in JV</b>	-	-
Proportional Interest in		
- Assets	40.31	26.06
- Liabilities	181.78	96.60
Share of Income/ (Loss) from JV	(64.23)	(76.82)
Expenditure Incurred	-	-

M/s Horizon Remit SDN BHD- The Company had entered into a Share purchase agreement (SPA) with Al Jadeed Investment International SPC, Muscat, Sultanate of Oman for sale of its entire shareholding in the Joint Venture (JV) M/s Horizon Remit Sdn. Bhd., Malaysia. The completion of transfer as per the said SPA is subject to approval by Bank Negara Malaysia and Reserve Bank of India (RBI), for which approval from RBI is pending as on date though applied for by the company. As per agreed terms, the existing shareholders of the JV are to ensure that the company does not have any outstanding liabilities on the date of transfer of the Company to the purchaser and as such entire sale consideration would be remitted directly by the purchaser to the outstanding creditor of the JV, i.e. Western Union. Further, to clear off balance liabilities, a sum of USD 86,820 equal to Rs. 64.22 lakhs has been finally ascertained to be payable to Western Union on that account. The said amount has been estimated on basis of unaudited financial position of the JV as of 31st December, 2021 and as such the said amount has been reflected as Expenditure incurred in note above.

During the previous year ended 31st March 2021, the Company had provided for impairment in value of its investment in Malaysian Joint Venture Horizon Remit Sdn. Bhd. amounting to Rs 304.72 Lakhs. This impairment had been chiefly triggered due to significant financial difficulties faced by said JV for the past some time which got irreparably aggravated due to Covid-19 outbreak last year as a result of which the JV had continued to incur significant losses. The entire cost of investment had been recognised as impairment loss as the net recoverable amount after adjusting for costs of disposal associated with the investment was evaluated to be Nil on the basis of financial statements of the JV.

Paul Innovations LLP - The Company is one of the partner in Paul Innovations LLP holding 50% share in which other partner is Espranza Innovations Private Limited. The share of loss of Rs 1.41 Lakhs (Previous Year Rs 0.03 Lakhs) during the year in said LLP. There is capital contribution of Rs. 40,40,000/- made during the year in said LLP.

Paul Tech Park LLP- The Company was one of the partner in Paul Tech Park LLP holding 50% share in which other partner was Espranza Innovations Private Limited. The results of the said LLP have been consolidated till 31.12.2021 and thereafter the application for strike off the LLP was made by the Partners of the LLP. The Share of loss in said LLP for the period till 31.12.2021 amounts to Rs 0.46 Lakhs (Previous Year Rs 0.46 Lakhs). There is no capital contribution made during the year to this LLP.

**Note 39. Earnings per Share**

(Rs. In Lacs)

Particulars	(Rs. In Lacs)	
	As at 31st March 2022	As at 31st March 2021
	Amount ( In Rs.)	Amount ( In Rs.)
<b>Earnings per Share- Continuing Operations</b>		
Net Profit for the Year (Rs. )	2,039.02	1,267.73
Number of Equity Shares (Nos. )	10.28	10.28
Basic & Diluted EPS (Rs per Share )	198.35	123.32
<b>Earnings per Share - Discontinued Operations</b>		
Net Profit for the Year (Rs. )	-	-
Number of Equity Shares (Nos. )	10.28	10.28
Basic & Diluted EPS (Rs per Share )	-	-
<b>Earnings per Share - Continuing and Discontinued Operations</b>		
Net Profit for the Year (Rs. )	2,039.02	1,267.73
Number of Equity Shares (Nos. )	10.28	10.28
Basic & Diluted EPS (Rs per Share )	198.35	123.32

**Note 40. Employee Benefits**Disclosure on employee benefits with regard to defined benefit plans, as per *IND AS 19- Employee Benefits* is as below:

(Rs. In Lacs)

Particulars of Defined Benefit Plan- Gratuity	As at 31st March 2022 Amount ( In Rs.)	As at 31 Marchch Amount ( In Rs.)
<b>Assumptions</b>		
Discount rate	7.27% per annum	6.82% per annum
Rate of increase in Compensation levels	6.00% per annum	5.50% per annum
Rate of Return on Plan Assets Not Applicable Not Applicable	NA	NA
<b>Change in Present Value of Obligations</b>		
<b>Opening of defined benefit obligations</b>	<b>171.10</b>	<b>169.65</b>
Acquisition Adjustments (Transfer Out)		
Service cost	18.96	18.33
Interest Cost	11.67	11.45
Benefit Paid	-19.94	-19.67
<b>Actuarial (Gain)/Loss on total liabilities</b>	<b>4.73</b>	<b>-8.65</b>
- due to change in financial assumptions	1.25	-1.50
- due to change in demographic assumptions	-	-
- due to experience variance	3.48	-7.16
<b>Closing of defined benefit obligation/liability</b>	<b>186.53</b>	<b>171.10</b>
<b>The amount to be recognized in Statement of Assets and Liabilities</b>		
Present Value of Obligations	186.53	171.10
Fair value of plan assets	-	-
Net defined liability/(asset) recognized in balance sheet	186.53	171.10
<b>Expense recognized in Statement of profit and loss</b>		
Service cost	18.96	18.33
Interest Cost	11.67	11.45
Expense recognized in Statement of profit and loss	30.63	29.78
<b>Other Comprehensive Income</b>		
Actuarial (Gain)/Loss on total liabilities	4.73	-8.65

**Note 41. Related Party Disclosures**

(Disclosure as per Ind AS 24 )

**A. List of Related Parties**

Name of Related Party	Relationship
Rajneesh Bansal	Managing Director w.e.f 01.09.2020
Dharam Pal Sharma	Whole Time Director & Designated Director
Ritesh Vaid	Designated Whole Time Director appointed with effect from 10.02.2022
Nita Bansal	Relative of Director
Bhupinder Kaur	Key Management Personnel- CFO resigned w.e.f 08.02.2022
Rajesh Garg	Key Management Personnel- CFO appointed w.e.f 10.02.2022
Hardam Singh	Key Management Personnel- CS
Paul Merchants Finance Private Limited	Wholly Owned Subsidiary
Sat Paul Bansal	Chairman and Non Executive Director appointed w.e.f 08.06.2021
Aastha Bansal	Relative of Director
Niraa Talent	Firm in which relative of director is partner
Bright Cove Goods	Firm in which relative of director is partner
Bosna Digital Entertainment Private Limited	Private Company in which relative of directors are directors and shareholders
Nikka Mal Babu Ram	Firm in which relative of director is partner
PML Realtors Private Limited	Wholly Owned Subsidiary
Horizon Remit SDN BHD, Malaysia	Joint Venture Company
Paul Tech Pak LLP(Previously known as Paul and Singla Realtors LLP)	LLP in which company is designated partner(under process of strike off)
Paul E-commerce Private Limited	Private company in which directors of the company are Directors.
Paul Instacred Private Limited	Private company in which directors of the company are Directors.
Paul Innovations LLP	LLP in which company is designated partner

**B. Related Party Transactions in Ordinary Course of Business****For the Year ended 31st March 2022****(Rs. In Lakh)**

Nature of Transaction	Directors	Key Management Personnel	Relative of Directors	Wholly Owned Subsidiary	Associate Company/Firm/ /Related Party Txn	Total
Managerial Remuneration - Whole Time Directors	278.58					278.58
Remuneration - KMPs*		57.99				57.99
Rent Paid for Premises	15.84					15.84
Rent Received	-	-		11.75	3.33	15.08
Net Service Charges Earned - Indo Nepal & Domestic						
Money Transfer from Paul Merchants Finance Private Limited	-	-		12.91		12.91
Net additional working capital limit issued to Paul Merchants Finance Private Limited during the year	-	-		4,693.11		4,693.11
Interest earned from Paul Merchants Finance Private Limited on Working Capital limit	-	-		1,448.21		1,448.21
Investment in Paul Innovations LLP					40.40	40.40
Dividend Received	-	-		139.58		139.58
Commission for cross reference Sales	-	-		21.22		21.22
Sale of Goods/Services	0.04		2.63	8.35	28.33	39.36

\* includes reimbursements for helper and uniform expenses

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

**C. Related Party Outstanding Balance as on:****(Rs. In Lakh)**

Nature of Transaction	Directors	Key Management Personnel	Relative of Directors	Subsidiary	Related Party	Total
Balance as on 31st March 2022						
Outstanding working capital limit to Paul Merchants Finance Private Limited	-	-		18,481.62		18,481.62
Paul Innovations LLP					-	-

Please refer to Note 1 ,6 &amp; 37 for details on Securities/Assets pledged and Corporate Guarantee given for Sanction of Limits in Paul Merchants Finance Private Limited from Kotak Mahindra Bank Limited, ICICI Bank Limited, State Bank of India, AU Small Finance Bank and IDBI

**D. Loans and Advances in the nature of Loans granted to promoters, directors, KMP's, and related parties**

Type of Borrower	Amount of loan or advances in nature of loan outstanding as on 31.03.2022	Percentage to total loans and advances in the nature of loans	Amount of loan or advances in nature of loan outstanding as on 31.03.2021	Percentage to total loans and advances in the nature of loans
Promoter	-		-	
Directors	-		-	
KMP's	-		-	
Related Parties (Subsidiary Company)	18,481.62	100%	13,788.50	100%

**E. Transactions of the listed entity with Sh Rajneesh Bansal who belongs to the promoter/promoter group and hold(s) 10% or more shareholding in the listed entity**

Nature of Transaction	For the FY 2021-22	For the FY 2020-21
Managerial Remuneration	263.57	159.68
Rent Paid for Premises	15.84	14.21
Sale of Goods/Services	0.04	-

**F. Related Party Transactions in Ordinary Course of Business for the Previous Year ended 31st March 2021**

(Rs. In Lakh)

Nature of Transaction	Directors	Key Management Personnel	Relative of Directors	Wholly Owned Subsidiary	Related Party	Total
Managerial Remuneration - Whole Time Directors	334.58					334.58
Remuneration - KMPs*		42.93				42.93
Rent Paid for Premises	27.85			0.97	3.00	31.82
Rent Received	-	-		17.67	7.72	25.39
Net Service Charges Earned - Indo Nepal & Domestic						
Money Transfer from Paul Merchants Finance Private Limited	-	-		9.59		9.59
Net additional working capital limit issued to Paul Merchants Finance Private Limited during the year	-	-		3,617.00		3,617.00
Interest earned from Paul Merchants Finance Private Limited on Working Capital limit	-	-		1,196.10		1,196.10
Dividend Received	-	-		248.14		248.14
Commission for cross reference Sales	-	-		7.25		7.25
Sale of Goods/Services				5.40	4.47	9.87
Pledged FD with SBI for borrowing facilities availed by Paul Merchants Finance Private Limited				208.00		208.00

\* includes reimbursements for helper and uniform expenses

**G. Related Party Outstanding Balance as on 31 March 2021**

(Rs. In Lakh)

Outstanding working capital loan to Paul Merchants Finance Private Limited	-	-		13,788.50	-	13,788.50
Paul Innovations LLP -Outstanding expenses					0.43	0.43

**Note 42. Deferred Tax**

(As per IND AS 12 Income taxes)

(Rs. In Lakh)

Deferred Tax Assets on Account of Timing Differences	As at 01.04.2021	Arising During the Year	As at 31.03.2022
Depreciation	127.50	-38.98	88.52
Provision for Gratuity	43.06	3.88	46.95
Provision for Bonus & Commission	0.00	0.00	0.00
Provision for Leave encashment	0.00	0.00	0.00
Unrealized Loss on Investments	0.00	0.00	0.00
Impairment Loss	69.72	14.70	84.42
<b>Deferred Tax Liability</b>			
Unrealized Gain on Investments	-24.74	-12.08	-36.81
<b>Net Deferred Tax Asset</b>	<b>215.55</b>	<b>-32.49</b>	<b>183.06</b>

**Note 43. 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 March 2022	For the Year ended 31st March 2021
<b>1</b>	<b>Segment Revenue</b>		
(a)	Forex	5,27,827.88	2,96,029.12
(b)	Travel	195.17	68.22
(c)	Others	50.35	52.83
	<b>Total</b>	<b>5,28,073.40</b>	<b>2,96,150.17</b>
	<b>Less: Inter Segment Revenue</b>		
(a)	Forex	0.00	0.00
(b)	Travel	0.00	0.00
(c)	Others	0.00	0.00
	<b>Net sales/Income From Operations</b>	<b>5,28,073.40</b>	<b>2,96,150.17</b>
<b>2</b>	<b>Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#</b>		
(a)	Forex	1,051.90	240.49
(b)	Travel	4.81	-39.16
(c)	Others	35.49	38.58
	<b>Total</b>	<b>1,092.21</b>	<b>239.91</b>
	<b>Less:</b>		
i)	Interest	43.93	24.10
ii)	Other Un-allocable Expenditure net off	260.70	829.94
iii)	Un-allocable income	1,950.27	2,212.30
	<b>Total Profit Before Tax</b>	<b>2,737.84</b>	<b>1,598.17</b>
<b>3</b>	<b>Segment Assets</b>		
(a)	Segment - Forex	2,466.13	1,967.18
(b)	Segment - Travel	144.50	153.20
(c)	Segment - Others	0.00	0.00
(d)	Unallocated Assets	44,520.18	40,627.22
	<b>Total</b>	<b>47,130.81</b>	<b>42,747.60</b>
<b>4</b>	<b>Segment Liabilities</b>		
(a)	Segment - Forex	2,291.22	1,483.52
(b)	Segment - Travel	64.07	47.44
(c)	Segment - Others	0.00	0.00
(d)	Unallocated Liabilities	2,321.40	797.99
	<b>Total</b>	<b>4,676.69</b>	<b>2,328.95</b>
<b>5</b>	<b>Capital Employed</b>		
(a)	Forex	174.92	483.66
(b)	Travel	80.43	105.76
(c)	Others	0.00	0.00
(e)	Unallocated Assets	44,520.18	40,627.22
(f)	Unallocated Liabilities	2,321.40	797.99
	<b>Total</b>	<b>42,454.13</b>	<b>40,418.65</b>

**Note 44. Financial Ratios**

Particulars	As at 31st March 2022	As at 31st March 2021	% Change during the year	Numerator	Denominator	Reasons for change
(a) Current Ratio	5.45	9.25	-41.16	Current Assets	Current Liabilities	Current liabilities increased compared to last year mainly due to increase in advance from customers and borrowings balance at the year end
(b) Debt - Equity Ratio	2.24%	1.26%	78.42	Borrowings	Equity	Borrowings increased at year end
(c ) Debt Service Coverage Ratio	147.69	226.44	-34.78	Profit after tax, before depreciation & interest	Interest Expense	Interest cost increased due to new term loan from Bajaj Finance
(d) Return on Equity Ratio	4.80%	3.14%	53.13	Profit after tax	Equity	Profit after tax increased
(e ) Inventory turnover Ratio	118.00	82.94	42.27	Purchases of Currency	Average Inventory of currency	Purchases increased as compared to previous year
(f) Trade Receivables turnover Ratio	11.36	5.72	98.79	Credit sales during the year	Average Trade Receivables	Credit sales increased as compared to previous year
(g) Trade payables turnover Ratio	0.65	0.13	409.07	Credit purchase during the year	Average Trade Payable	Credit purchase increased as compared to previous year
(h) Net Capital turnover ratio	26.46	16.64	59.03	Revenue from operations	Working Capital (CA-CL)	Revenue from operations increased as compared to previous year
(i) Net profit Ratio	0.52%	0.54%	-3.57	Profit before tax	Revenue from operations	
(j) Return on Capital employed	6.50%	4.67%	39.21	EBIT	Capital Employed	EBIT increased as compared to previous year
(k) Return on investment	9.13%	10.02%	-8.89	Interest & dividend income from investments	Current & Non current investment	

**45. Other Notes**

Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.

Additional information pursuant to Schedule III Division II part I & II of the Companies Act, 2013 other than stated above is either NIL or Not Applicable.

The previous Year figures have been regrouped/re-classified/re-stated wherever necessary to conform with the current presentation.

Notes form integral part of Accounts for the year ending 31st March 2022

The company has availed finance facilities from banks and other financial institutions against security of current assets and the quarterly statements submitted to bank in respect of the same are in agreement with the books of accounts. Further all banking facilities obtained by the company during the year have been utilised for the specified purposes only. All charges in respect of the finance facilities have also been duly registered with the Registrar of Companies within specified time under the Companies Act 2013.

The company confirms that title deeds of all immovable properties accounted in the financial statements are held in name of the company.

**PLACE: CHANDIGARH**

**Dated : 12.05.2022**

**AUDITOR'S REPORT:**

**As per our Separate Report of the Even Date**

**For & on Behalf of Board of I**

**RITESH VAID**  
Whole Time Director  
DIN- 09433856  
H. No. 3274/1,  
Sec 40D, Chandigarh

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

**For RAJIV GOEL AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(FRN – 011106N)**

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

**RAJESH GARG**  
Chief Financial Officer  
FCA-096484  
H. No. 472, Mamta Enclave  
Dhakoli, NAC, Zirakpur

**CA. ROHIT GOEL**  
Partner  
**(M. No. 091756)**

## **INDEPENDENT AUDITOR’S REPORT**

### **TO THE BOARD OF DIRECTORS OF PAUL MERCHANTS LIMITED**

#### **Report on the audit of the Consolidated Financial Statements**

##### **Opinion**

We have audited the accompanying consolidated financial statements of **PAUL MERCHANTS LIMITED** ("The Company"), its subsidiaries (Paul merchants Finance Private Limited and PML Realtors Private Limited) and its joint Ventures (Horizon Remit SDN. BHD Malaysia, Paul Innovations LLP and Paul Tech Park LLP) (Paul Tech Park LLP till 31.12.2021) (the Company, its subsidiaries and joint ventures together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2022, 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. (Hereinafter referred to as the "consolidated financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity 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, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial statements section of our report. We are independent of the Group, its subsidiaries and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements

and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Our opinion is not modified in respect of this matter.

### **Management's Responsibilities for the Consolidated Financial statements**

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Group including its subsidiaries and joint ventures in accordance with Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its subsidiaries and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its subsidiaries and joint ventures 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its subsidiaries and joint ventures are responsible for assessing the ability of the Group and of its subsidiaries and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors of the companies included in the Group and of its subsidiaries and joint ventures are responsible for overseeing the financial reporting process of the Group and of its subsidiaries and joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- ❖ Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its subsidiaries and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained

up to the date of our auditor's report. However, future events or conditions may cause the Group and its subsidiaries and joint ventures to cease to continue as a going concern.

- ❖ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ❖ Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of the entities within the Group and its subsidiaries and joint ventures to express an opinion on the consolidated Financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

## Other Matters

- (a) The Consolidated Financial Statements include the unaudited Financial statements of the Malaysian Joint Venture (JV), Horizon Remit SDN. BHD, whose unaudited Financial Statements/Financial statements/ financial information reflect Group's share of total net loss after tax of Rs.64.22 Lakhs for the year ended 31st March 2022, as considered in the Consolidated Financial Statements only to the extent as per agreed terms with the JV. For the purpose of consolidation, unaudited Financial statements/ financial information for the quarter ending 31<sup>st</sup> March 2022 and unaudited Financial Statements for the year ended 31<sup>st</sup> December 2021 have been considered. The said annual/interim Financial Statements/Financial statements/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated Financial statements, in so far as it relates to the amounts and disclosures included in respect of the above Joint Venture is based solely on such annual/interim Financial Statements/Financial statements/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements/Financial statements/financial information are not material to the Group.

It is also relevant to highlight that Paul Merchants Limited had entered into a Share purchase agreement (SPA) with Al Jadeed Investment International SPC, Muscat, Sultanate of Oman for sale of its entire shareholding in the abovementioned Joint Venture (JV). The completion of transfer as per the said SPA is subject to approval by Bank Negara Malaysia and Reserve Bank of India (RBI), for which approval from RBI is pending as on date though applied for by the company. That as per agreed terms, the existing shareholders of the JV are to ensure that the company does not have any outstanding liabilities on the date of transfer of the Company to the purchaser. Thus, to clear off balance liabilities, a sum of USD 86,820 equal to Rs. 64.22 lakhs has been finally ascertained to be payable to outstanding creditor Western Union on that account and equivalent loss has been accounted for in books of accounts of the Group. Appropriate disclosures regarding the same has also been made in the accompanying financial statements. It is relevant to mention that our conclusion is not qualified in this respect.

- (b) We did not audit the financial statements/ financial information of the Wholly owned subsidiary, PML Realtors Private Limited whose financial statements include total assets of Rs. 2644.45 Lakhs as at March 31, 2022, total revenues NIL, total net profit after tax of Rs.20.99 lakhs for the year ended on that date and net cash outflows of Rs. 587.4 lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors. The independent auditor's report on the financial statements/information of this subsidiary has been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of the said subsidiary is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143 (3) of the Act, we report, to the extent applicable that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.;
  - b. In our opinion proper books of account as required by law for preparation of aforesaid Consolidated Financial Statements have been kept by the Company and its subsidiaries so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
- 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 Holding Company as on March 31, 2022 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, 2022 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 consolidated financial statements disclose the impact of pending litigations on the financial position of the Group– Refer Note 37 to the financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind

of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- v. The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- vi. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) and (v) above contain any material mis-statement.

For RAJIV GOEL AND SUBSIDIARIES  
CHARTERED ACCOUNTANTS  
Firm Reg. No.- 011106N

Sd/-  
(ROHIT GOEL)  
PARTNER  
M. No.091756

**UDIN: 22091756ALYKOC3012**

Date: 12.05.2022  
Place: Chandigarh

**“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 Indian Subsidiaries (Paul Merchants Finance Private Limited and PML Realtors Private Limited) and its Indian Joint Ventures (Paul Innovations LLP, Paul Tech Park LLP till 31.12.2021) as of March 31, 2022 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 and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Company and its subsidiary companies.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company, its Indian Subsidiaries and its Indian Joint Ventures 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, 2022, 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.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to subsidiary company, PML Realtors Limited, is based on the corresponding reports of the auditors of such subsidiary company incorporated in India.

For RAJIV GOEL AND SUBSIDIARIES  
CHARTERED ACCOUNTANTS  
Firm Reg. No.- 011106N

Sd/-  
(ROHIT GOEL)  
PARTNER  
M. No.091756

**UDIN: 22091756ALYKOC3012**

Date: 12.05.2022  
Place: Chandigarh

**PAUL MERCHANTS LIMITED**  
**CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2022**  
CIN-L74900DL1984PLC018679

Rs in Lakhs

PARTICULARS	Note	As on 31.03.2022	As on 31.03.2021
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
a) Property, Plant and Equipment	1	6,291.66	6,272.39
b) Capital Work in Progress		9.56	0.00
c) Investment Property		0.00	0.00
d) Goodwill		0.00	0.00
e) Other Intangible Assets		51.58	0.00
f) Intangible Assets Under Development	1	25.44	59.75
g) Biological Assets other than bearer plants		0.00	0.00
h) Financial Assets			
i) Investments	2	38.96	0.00
ii) Trade Receivables		0.00	0.00
iii) Loans		0.00	0.00
ii) Others	3	66.83	53.16
i) Deferred Tax Assets (Net)	4	220.76	227.62
j) Other Non-Current Assets			
<b>(2) Current Assets</b>			
a) Inventories	5	587.20	601.17
b) Financial Assets			
i) Current Investments	6	2,991.49	3,741.73
ii) Trade Receivables	7	271.12	220.10
iii) Cash and Bank Balance	8	2,061.31	1,138.28
iv) Bank Balance other than iii above	9	295.25	333.14
v) Loans	10	49,327.67	38,914.60
vi) Others	11	966.67	404.01
c) Current Tax Assets	12	1,600.43	1,458.00
d) Other Current Assets	13	103.14	96.94
<b>TOTAL</b>		<b>64,909.08</b>	<b>53,520.89</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Shri Laxmi Ji		0.00	0.00
a) Equity Capital	14	102.80	102.80
b) Other Equity	15	46,586.34	42,573.87
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	16	16.86	0.00
ii) Trade Payables		0.00	0.00
iii) Other Financial Liabilities	16A	8.45	8.45
b) Provisions	17	230.15	198.13
<b>(2) Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	18	13,137.58	7,942.53
ii) Trade Payables	19		
(A) total outstanding dues of micro enterprises and small enterprises;		0.00	0.00
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		99.45	64.53
iii) Other Financial Liabilities	20	1,313.97	894.30
b) Other Current Liabilities	21	1,808.11	540.02
c) Provisions	22	1,605.37	1,196.25
d) Current Tax Liabilities(Net)		0.00	0.00
<b>TOTAL</b>		<b>64,909.08</b>	<b>53,520.89</b>

The accompanying accounting policies and notes form an integral part of the consolidated financial statements.

PLACE: CHANDIGARH

Dated : 12.05.2022

For & on Behalf of Board of Directors

**RITESH VAID**  
Whole Time Director  
DIN- 09433856  
H. No. 3274/1,  
Sec 40D, Chandigarh

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

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

**RAJESH GARG**  
Chief Financial Officer  
FCA-096484  
H. No. 472, Mamta Enclave  
Dhakoli, NAC, Zirakpur

**AUDITOR'S REPORT:**

As per our Separate Report of the Even Date

For **RAJIV GOEL AND ASSOCIATES**  
CHARTERED ACCOUNTANTS  
(FRN – 011106N)

**CA. ROHIT GOEL**  
Partner  
(M. No. 091756)

**PAUL MERCHANTS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2022**  
CIN-L74900DL1984PLC018679

Rs in Lakhs

PARTICULARS	Note	CURRENT YEAR 31.03.2022	PREVIOUS YEAR 31.03.2021
<b>I. REVENUE</b>			
Revenue from Operations	23	5,36,502.81	3,03,507.95
Other Income	24	371.29	760.78
<b>III Total Income (I+II)</b>		<b>5,36,874.10</b>	<b>3,04,268.74</b>
<b>IV. EXPENSES</b>			
Purchase of Foreign Exchange, stock and Services	25	5,18,018.20	2,91,584.26
Changes in Inventories of Stock in Trade	26	13.96	200.33
Direct Expenses	27	6,867.08	3,492.51
Office & Administrative Expenses	28	1,684.21	1,316.91
Employee Benefit Expenses	29	3,069.40	2,318.20
Finance Costs	30	1,116.00	480.42
Sales Promotion Expenses	31	239.54	55.32
Corporate Social Responsibility Expenses	32	68.21	63.56
Other Expenses	33	13.07	35.87
Depreciation	1	326.51	298.93
<b>TOTAL EXPENSES IV</b>		<b>5,31,416.19</b>	<b>2,99,846.32</b>
<b>V. PROFIT BEFORE EXCEPTIONAL ITEMS &amp; TAX (III - IV)</b>		<b>5,457.91</b>	<b>4,422.41</b>
<b>VI. EXCEPTIONAL ITEMS</b>	34	64.23	0.00
<b>VII. PROFIT BEFORE TAX (V - VI)</b>		<b>5,393.68</b>	<b>4,422.41</b>
<b>VIII. TAX EXPENSE</b>			
(1) Current Tax		1,343.67	1,028.17
(2) Prior Period Tax		23.51	-8.02
(2) Deferred Tax	40	8.42	13.69
<b>IX. PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII - VIII)</b>		<b>4,018.08</b>	<b>3,388.57</b>
<b>X Profit/Loss from Discontinued Operations</b>		0.00	0.00
<b>XI Tax Expense of Discontinued Operations</b>		0.00	0.00
<b>PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X-XI)</b>		0.00	0.00
<b>XII Share of Profit (Loss) of associates and joint ventures accounted for using equity method</b>	37	-0.95	-43.64
<b>XIII PROFIT/(LOSS) FOR THE PERIOD (IX+XII)</b>		<b>4,017.13</b>	<b>3,344.93</b>
<b>XIV OTHER COMPREHENSIVE INCOME</b>			
<b>A</b> (i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined benefit obligations		-6.23	10.74
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.57	-2.70
<b>B</b> (i) Items that will be reclassified to profit or loss		0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
<b>XV TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV)</b>		<b>4,012.46</b>	<b>3,352.96</b>
<b>Profit or loss, attributable to:</b>			
Owners of the Company		4,017.13	3,344.93
Non-controlling interests		0.00	0.00
<b>Total Comprehensive income for the period attributable</b>			
Owners of the Company		4,012.46	3,352.96
Non-controlling interests		0.00	0.00
<b>XVI EARNING PER EQUITY SHARE (FOR CONTINUING OPERATION)</b>	38		
1) BASIC (Rs.)		390.77	325.38
2) DILUTED (Rs.)		390.77	325.38
<b>XVII EARNING PER EQUITY SHARE (FOR DISCONTINUED OPERATION)</b>	38		
1) BASIC (Rs.)		0.00	0.00
2) DILUTED (Rs.)		0.00	0.00
<b>XVIII EARNING PER EQUITY SHARE (FOR CONTINUING &amp; DISCONTINUED OPERATION)</b>	38		
1) BASIC (Rs.)		390.77	325.38
2) DILUTED (Rs.)		390.77	325.38
The accompanying accounting policies and notes form an integral part of the standalone financial statements.			
<b>PLACE: CHANDIGARH</b>			
<b>Dated : 12.05.2022</b>			
<b>For &amp; on Behalf of Board of Directors</b>		<b>AUDITOR'S REPORT:</b> As per our Separate Report of the Even Date	
<b>MITESH VAID</b> Whole Time Director DIN- 09433856 H. No. 3274/1, Sec 40D, Chandigarh	<b>RAJNEESH BANSAL</b> Managing Director DIN-00077230 H. No. 749, Sec 8, Chandigarh	<b>For RAJIV GOEL AND ASSOCIATES</b> <b>CHARTERED ACCOUNTANTS</b> (FRN – 011106N)	
<b>HARDAM SINGH</b> Company Secretary FCS-5046 H. No. 12D, Angel Appt. Zirakpur	<b>RAJESH GARG</b> Chief Financial Officer FCA-096484 H. No. 472, Mamta Enclave Dhakoli, NAC, Zirakpur	<b>CA. ROHIT GOEL</b> Partner (M. No. 091756)	

**PAUL MERCHANTS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022**  
CIN-L74900DL1984PLC018679

**A Equity Share Capital**

Changes in equity share capital for the year ended

(Rs in Lakhs)

Particulars	31st March, 2022 Amount (Rs)	31st March, 2021 Amount (Rs)
Balance at the beginning of the reporting period	102.80	102.80
Changes in equity share capital during the year	0.00	0.00
Balance at the end of the reporting period	102.80	102.80

**B Other Equity**

Changes in other equity for the year ended 31st March, 2022

Amount (Rs in Lakhs)

Particulars	Reserves and Surplus			Total
	Securities premium Account	Other Statutory reserve	Retained Earnings	
Balance at the beginning of the current reporting period	7,595.08	870.48	34,108.31	42,573.87
Changes in accounting policy or prior period errors				
Restated balance at the beginning of the current reporting period				
Total Comprehensive Income for the current year			4,012.46	4,012.46
Dividend			-	-
Transfer to retained earnings		456.41	(456.41)	-
Balance at the end of the current reporting period	7,595.08	1,326.89	37,664.37	46,586.34

Changes in other equity for the year ended 31st March, 2021

Amount (Rs in Lakhs)

Particulars	Reserves and Surplus			Total
	Securities premium Account	Other Statutory reserve	Retained Earnings	
Balance at the beginning of the previous reporting period	7,595.08	460.29	31,165.54	39,220.91
Changes in accounting policy or prior period errors				
Restated balance at the beginning of the previous reporting period				
Total Comprehensive Income for the previous year			3,352.96	3,352.96
Dividend			-	-
Transfer to retained earnings		410.19	(410.19)	-
Balance at the end of the previous reporting period	7,595.08	870.48	34,108.31	42,573.87

**PLACE: CHANDIGARH**

**Dated : 12.05.2022**

**For & on Behalf of Board of Directors**

**RITESH VAID**  
**Whole Time Director**  
**DIN- 09433856**  
H. No. 3274/1,  
Sec 40D, Chandigarh

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

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

**RAJESH GARG**  
**Chief Financial Officer**  
FCA-096484  
H. No. 472, Mamta Enclave  
Dhakoli, NAC, Zirakpur

**AUDITOR'S REPORT:**

**As per our Separate Report of the Even Date**

**For RAJIV GOEL AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(FRN – 011106N)**

**CA. ROHIT GOEL**  
**Partner**  
**(M. No. 091756)**

# PAUL MERCHANTS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31ST MARCH, 2022

CIN-L74900DL1984PLC018679

Amount (Rs. In Lakhs)

PARTICULARS	CURRENT YEAR 31.03.2022	PREVIOUS YEAR 31.03.2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	5,393.68	4,422.41
Adjustment for:		
Depreciation	326.51	298.93
Profit/Loss on Sale of Fixed Assets	(14.86)	(24.48)
Provision for Expected Credit Loss	3.08	17.72
Share in loss of Associates	(0.95)	(43.64)
Gain on Sale of Investments	22.45	(257.88)
Unrealized Gain on Sale of Investments	2.29	(98.28)
Finance Cost	1,116.00	480.42
Short Term Provisions	409.12	234.29
Long Term Provisions	32.02	5.84
Rental Income	(39.18)	(87.47)
Interest Income	(239.07)	(238.29)
Dividend Received	(6.07)	(6.89)
Other Comprehensive Income	(6.23)	10.74
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>6,998.79</b>	<b>4,713.44</b>
<b>Adjustment for :</b>		
Net changes in operating Assets & Liabilities		
Inventory	13.96	200.98
Trade receivable	(51.02)	222.43
Other Bank Balance	37.89	(232.77)
Short Term Loans & Advances	(10,975.73)	(10,156.30)
Current Tax Assets	(142.43)	(283.02)
Other Current Assets	(6.21)	(39.18)
Trade Payables	34.91	(30.21)
Other Current Liabilities	1,268.10	(199.17)
<b>CASH FROM/(USED IN) OPERATIONS</b>	<b>(2,402.07)</b>	<b>(5,837.85)</b>
Income Taxes Paid	(1,367.17)	(1,020.15)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>(3,769.24)</b>	<b>(6,858.01)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	94.97	105.60
Purchase of Fixed Assets	(452.72)	(315.18)
Movement in Current Investments	725.49	2,081.76
Movement in Non Current Investments	(38.96)	43.16
Movement in Other Non Current Assets	(16.74)	-
Rental Income	39.18	87.47
Interest Income	239.07	238.29
Dividend Income	6.07	6.89
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>596.36</b>	<b>2,256.43</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid (Including Dividend Distribution Tax)	-	-
Borrowings (Net of Repayments)		
Long Term Borrowings	16.86	-
Short Term Borrowings	5,195.04	4,637.11
Finance Cost	(1,116.00)	(480.42)
<b>NET CASH FROM/ (USED) IN FINANCING ACTIVITIES</b>	<b>4,095.91</b>	<b>4,156.68</b>
Net Change in Cash & Cash Equivalents (A+B+C)	923.03	(444.89)
Cash and Cash equivalent at the beginning of the year	1,138.28	1,583.17
<b>Cash and Cash equivalents at the end of the year</b>	<b>2,061.31</b>	<b>1,138.28</b>

Place : Chandigarh.

Dated : 12.05.2022

For & on behalf of Board of Directors

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

(RAJESH GARG)  
Chief Financial Officer  
FCA-096484  
H. No. 472, Mamta Enclave  
Dhakoli, NAC, Zirakpur

(RAJNEESH BANSAL)  
Managing Director  
DIN-00077230  
H. No. 749,  
Sec 8, Chandigarh

(RITESH VAID)  
Whole Time Director  
DIN- 09433856  
H. No. 3274/1,  
Sec 40D, Chandigarh

### AUDITOR'S CERTIFICATE

We have examined the Cash flow Statement of Paul Merchants Limited for the year ended 31st March 2022. 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

Place: Chandigarh  
Dated : 12.05.2022

For RAJIV GOEL AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
(FRN – 011106N)

CA. ROHIT GOEL  
Partner  
(M. No. 091756)

## SIGNIFICANT ACCOUNTING POLICIES

### A. Basis of Preparation of Financial Statements

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

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

Revised Schedule III to Companies Act, has been made applicable to the Company, changes made if any are in compliance to the same

The figures appearing in financial statement has been rounded off to nearest lakhs as per requirement of Schedule III to the Companies Act.

### B. Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets which have been measured at fair value.

### C. Basis of Consolidation

The investment in Malaysian Joint Venture is accounted for using Equity Method. Investment in subsidiary companies (PML Realtors Private Limited and Paul Merchants Finance Private Limited) is accounted for using pooling of interest method as the same are subject to common control before and after such investments in accordance with IND AS. The financial statements of the Subsidiary companies are consolidated on a line-by-line basis and intra-group balances and transactions are eliminated upon consolidation.

### D. 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.

### E. Property, Plant and Equipment (PPE)

The items of Property Plant & equipment are measured at Cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation (if any), less accumulated depreciation and impairment loss, if any. All costs, including financing costs, attributable to the fixed assets are capitalized.

The Company had opted to measure all its property, plant and equipment and intangible assets at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition.

### F. Depreciation

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) in the manner prescribed in Schedule II to the Companies Act, 2013 over their remaining useful life on pro-rata basis.

### G. Impairment of Assets

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

**H Foreign Currency Transactions**

Purchases and sales of foreign currencies and traveller's cheques are accounted at the contracted rates.

- 1 Other transactions in foreign currencies are initially recognised at the rate at which the transaction is entered into. On settlement of such transactions the profit/loss arising from exchange differences is recognised in the Statement of profit and loss.
- 2 All other Foreign Currency transactions have also been recorded at exchange rate prevailing on the date of the transaction.
- 3 Foreign Currency Fixed Deposits, Balances in Foreign Currency Bank Accounts and other Foreign Currency receivables or payables are valued at year end rates and gains/losses due to exchange rate differences have been adjusted in Profit & Loss Account

**I Investments**

Company has opted to measure its investments in subsidiaries, joint ventures and associates at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. The Company accounts for all its investments at Fair value through profit or loss except for Investments in Subsidiary, Joint Venture and Associates.

**J Inventories**

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

**K Cash and cash equivalents**

Cash and cash equivalents 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.

**L Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of Foreign Exchange and Services. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

**M Employee Benefits**

The entity makes contributions to statutory provident funds in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948. Provident Fund and ESI are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the fund.

Gratuity Liability as on 31st March 2022 has been provided for on basis of actuarial valuation basis Projected unit credit method in accordance with IND AS-19.

Leave encashment which are short term compensated absences are charged to profit and loss account of the year in which it is due.

**N Borrowing Costs**

As per IND AS 23 Borrowing costs that are attributable to the acquisition or construction of qualifying assets (if any) are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

**O Forex Hedging Transactions**

In respect of Forex hedging transactions, gains / losses on settlement and losses on restatement are recognized in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

**P Provision for Current and Deferred Tax**

**Current income tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items 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.

**Q Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**R Classification of Current / Non Current Assets**

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to The Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has assumed its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities

**S Leases**

The Company has complied with IND AS 116 "Leases" applicable from 1 April 2019, and considered all material lease contracts existing on April 1, 2019. The Company has accounted for its short term leases and low value assets in accordance with para 6 of the IND AS. The cancellable leases are considered as short term leases therefore no right to use assets has been recognized as per exemption available under the IND AS 116.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March 2022**

**Note 1: PROPERTY, PLANT AND EQUIPMENT**

PARTICULARS	Gross Block (Amount in Rupees)				Accumulated Depreciation (Amount in Rupees)				(Rs in Lakhs) Net Block (Amount in Rupees)	
	Balance as at 1 April 2021	Additions	Disposals	Balance as at 31st March 2022	Balance as at 1 April 2021	Depreciation/Amortization charge for the year	On disposals	Balance as at 31st March 2022	Balance as at 31st March 2021	Balance as at 31st March 2022
Land	3,753.87	-	-	3,753.87	-	-	-	-	3,753.87	3,753.87
Buildings	2,543.10	-	-	2,543.10	670.20	91.20	-	761.39	1,872.90	1,781.71
Computers & Desktop	388.22	71.95	9.28	450.89	340.17	47.69	7.57	380.30	48.05	70.60
Servers & Networks	81.08	-	0.56	80.52	74.27	1.56	0.53	75.30	6.81	5.22
Furniture and Fittings	444.33	54.92	0.44	498.82	329.12	31.80	0.37	360.55	115.21	138.27
Motor Cars	667.10	42.40	124.19	585.31	436.41	81.84	117.69	400.56	230.69	184.74
Motor Cycles	1.35	-	0.18	1.17	0.99	0.09	0.17	0.91	0.36	0.26
Office Equipments	151.64	9.98	28.70	132.91	126.11	11.70	27.27	110.54	25.53	22.37
Electrical Installations & Equipments	182.59	32.19	3.83	210.95	143.66	14.28	3.47	154.47	38.93	56.48
Plant & Machinery	240.29	141.57	-	381.86	64.00	42.09	-	106.09	176.28	275.76
Leasehold Improvements	37.30	-	-	37.30	33.54	1.39	-	34.93	3.76	2.37
<b>Intangible Assets</b>										
Amortization on Software	-	54.45	-	54.45	-	2.87	-	2.87	-	51.58
<b>Intangible Assets Under Development</b>										
Computer Software	59.75	35.70	70.01	25.44	-	-	-	-	59.75	25.44
<b>Capital Work in Progress</b>	-	9.56	-	9.56	-	-	-	-	-	9.56
<b>Total Current Year</b>	<b>8,550.63</b>	<b>452.72</b>	<b>237.19</b>	<b>8,766.15</b>	<b>2,218.48</b>	<b>326.51</b>	<b>157.08</b>	<b>2,387.92</b>	<b>6,332.14</b>	<b>6,378.23</b>
<b>Total Previous Year</b>	<b>8,386.83</b>	<b>315.18</b>	<b>151.38</b>	<b>8,550.63</b>	<b>1,989.81</b>	<b>298.93</b>	<b>70.26</b>	<b>2,218.48</b>	<b>6,397.02</b>	<b>6,332.14</b>

\* Land & Building at SCO 827-828, Chandigarh mortgaged with ICICI Bank Limited and at # 749 Sector 8 Chandigarh & DSM 335-337, 346-347 DLF Delhi, Flat No. 2203, 22nd Floor, Wing C, DB Woods, Mumbai, Unit no A/303, 3rd Floor, Kanakia Zillion, Wing A, LBS Marg, Kurla(west), Mumbai, Shop No 3, UGF, 37, Cantt Road, Lukhnow mortgaged with State Bank of India for OD limit taken by Wholly owned subsidiary - Paul Merchants Finance Private Limited. Property at Zirakpur is given as security against Short Term Loan from Bajaj Finance Ltd taken by Paul Merchants Limited

**Note 1A Intangible Assets Under Development**

Intangible Assets Under Development	As at 31st March 2022			(Rs in Lakhs)
	Less Than 1 year	1-2 years	2-3 Years	more than 3 years
Software	5.85	19.59	-	-
<b>Total Current Year</b>	<b>5.85</b>	<b>19.59</b>	<b>-</b>	<b>-</b>

Intangible Assets Under Development	As at 31st March 2021			(Rs in Lakhs)
	Less Than 1 year	1-2 years	2-3 Years	more than 3 years
Software	59.75	-	-	-
<b>Total Previous Year</b>	<b>59.75</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CWIP Ageing**

Amount of CWIP	As at 31st March 2022			(Rs in Lakhs)
	Less Than 1 year	1-2 years	2-3 Years	more than 3 years
Branches under development	9.56	-	-	-
<b>Total Current Year</b>	<b>9.56</b>	<b>-</b>	<b>-</b>	<b>-</b>

Amount of CWIP	As at 31st March 2021			(Rs in Lakhs)
	Less Than 1 year	1-2 years	2-3 Years	more than 3 years
Branches under development	-	-	-	-
<b>Total Previous Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Note 2: FINANCIAL ASSETS - NON CURRENT INVESTMENTS</b>		<b>Rs in Lakhs</b>
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
<b>Other Investments</b>		
Investment in Paul Innovations LLP*	38.96	
<b>Total</b>	<b>38.96</b>	<b>-</b>
* Please refer to Note 37		
<b>Note 3: OTHER FINANCIAL ASSETS</b>		<b>Rs in Lakhs</b>
	As at 31st March 2022	As at 31st March 2021
Advance against Property	70.88	70.88
Less: Provision for Expected credit Loss	(17.72)	(17.72)
Other Financial assets	13.66	
<b>Total</b>	<b>66.83</b>	<b>53.16</b>
<b>Note 4: DEFFERED TAX ASSETS</b>		<b>Rs in Lakhs</b>
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
Opening Balances	227.62	244.01
Add/Less: Deferred Tax Assets created/(written back) during the year	(6.85)	(16.39)
<b>Total</b>	<b>220.76</b>	<b>227.62</b>
<b>Note 5: INVENTORIES</b>		<b>Rs in Lakhs</b>
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
Stock of Foreign Currency at Cost	459.39	473.35
Stock Of Shares at Cost	-	-
Work in Progress*	20.81	20.81
Stock held by Subsidiaries	107.01	107.01
<b>Total</b>	<b>587.20</b>	<b>601.17</b>
* Amount incurred towards Development of Travel Software for Sale		
<b>Note 6: FINANCIAL ASSETS -CURRENT INVESTMENTS</b>		<b>Rs in Lakhs</b>
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
<b>Investments measured at Fair Value Through Profit &amp; Loss</b>		
<b>Investment in Mutual Funds Quoted at FVTPL</b>		
Aditya Birla Sun Life Corporate Bond Fund	0.34	0.33
Axis Focused 25 Fund Direct Plan Growth	15.32	13.16
HDFC Small Cap Fund Direct Plan Growth	16.39	12.08

HDFC Equity Savings Fund Direct Plan Growth Folio	9.40	7.37
L&T Liquid Fund	4.71	4.55
L&T India Value Fund Direct Plan Growth	5.75	4.51
IDFC Fixed Term Plan Series 149 Direct Plan	390.37	374.92
Kotak Standard Multicap Fund Direct Plan Growth	14.52	12.44
Mirae Asset India Equity Fund Direct Plan	15.02	12.57
Ask Domestic Resurgence Protfolio- Equity Funds	40.71	35.62
ASK IEP PMS	42.85	35.58
L & T ULTRA SHORT TERM (G)	7.30	7.05
HDFC ULTRA SHORT TERM FUND-REGULAR PLAN GROWTH	10.46	10.09
Aditya Birla Sunlife Liquid Fund INF209K01RU9	15.11	14.62
HDFC Liquid Fund _ 13393612/56	7.29	7.05
IDFC Money Manager Fund INF194K01LG9	11.30	10.96
<b>Investments in Tax Free Bonds -Quoted at FVTPL- Pledged *</b>		
7.03 % Housing and Urban Development Corporation Limited	124.04	126.77
8.56 % Housing and Urban Development Corporation Limited	265.12	272.60
8.48% India Infrastructure Finance Company Limited	628.60	644.68
8.54% Power Finance Corporation Limited	624.79	641.76
Rural Electrification Corporation Limited	238.85	245.20
7.22% Rural Electrification Corporation Limited	136.38	139.83
7.55% Indian Railway Finance corporation	-	210.03
8.20% NHAI 2022	-	214.76
8.20% Power Finance Corporation Ltd	-	149.31
7.62% HUDCO 11 Nov 21	-	209.10
8.23% IRFC 18 Feb 24	57.55	58.55
<b>Particulars</b>	<b>As at 31st March 2022 Amount ( In Rs.)</b>	<b>As at 31st March 2021 Amount ( In Rs.)</b>
<b>Investments in Preference Shares- Quoted at FVTPL</b>		
6% Zee Entertainment Enterprises Limited	-	56.42
<b>Investments in Equity Shares- Quoted at FVTPL</b>	2.91	1.55
<b>Investments in Equity- Unquoted at FVTPL</b>	0.08	0.04
<b>Investments in Structured Entity - Unquoted at FVTPL</b>		
India Real Estate Fund	306.34	207.20
Total (A)	2,991.49	3,741.73
<b>Total</b>	<b>2,991.49</b>	<b>3,741.73</b>
*As on 31 March 2022 Tax free bonds valued and MLD Valued at Rs 2465 lacs (Previous Year Rs 3287 lacs ) are pledged with Kotak Bank for Over Draft limits of Rs 2990 lacs (Rs at Rs. 2990 Lacs as on 31st March 2021) pledged with Kotak Bank for Over Draft limits taken by Paul Merchants Finance Private limited (Wholly owned Subsidiary of the company)		
<b>Particulars</b>	<b>As at 31st March 2022 Amount ( In Rs.)</b>	<b>As at 31st March 2021 Amount ( In Rs.)</b>
Aggregate Value of Quoted Investments	2,685.07	3,534.49
Aggregate Value of Unquoted Investments	306.42	207.24
<b>Total</b>	<b>2,991.49</b>	<b>3,741.73</b>

Particulars	As at 31st March 2022	As at 31st March 2021
Investments in Preference Shares- Quoted at FVTPL		
6% Zee Entertainment Enterprises Limited	-	56.42
Investments in Equity Shares- Quoted at FVTPL	2.91	1.55
Investments in Equity- Unquoted at FVTPL	0.08	0.04
Investments in Structured Entity - Unquoted at FVTPL		
India Real Estate Investment Fund	306.34	207.20
Total (A)	2,991.49	3,741.73
<b>Total</b>	<b>2,991.49</b>	<b>3,741.73</b>

\*As on 31 March 2022 Tax free bonds valued and MLD Valued at Rs 2465 lakh (Previous Year Rs 3287 lakh ) are pledged with Kotak Bank for Over Draft limits of Rs 2990 lakh (Rs at Rs. 2990 Lakh as on 31st March 2021) pledged with Kotak Bank for Over Draft limits taken by Paul Merchants Finance Private limited (Wholly owned Subsidiary of the company)

Particulars	As at 31st March 2022	As at 31st March 2021
Aggregate Value of Quoted Investments	2,685.07	3,534.49
Aggregate Value of Unquoted Investments	306.42	207.24
<b>Total</b>	<b>2,991.49</b>	<b>3,741.73</b>

**Note 7: FINANCIAL ASSETS- TRADE RECEIVABLES**

Rs in Lakhs

Particulars	As at 31st March 2022					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total
<b>Trade receivables</b>						
(i) Undisputed Trade Receivables, considered good	202.79	-	8.78	3.28	3.45	218.29
(ii) Undisputed Trade Receivables, considered doubtful						
(iii) Disputed Trade Receivables, considered good	0.64	-	-	31.15	24.12	55.91
(iv) Disputed Trade Receivables, considered doubtful	-	-				
Less: Provision for doubtful debts		-			-3.08	-3.08
	203.43	-	8.78	34.43	24.49	271.12
<b>Total</b>	<b>203.43</b>	<b>-</b>	<b>8.78</b>	<b>34.43</b>	<b>24.49</b>	<b>271.12</b>

Particulars	As at 31st March 2021					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total
<b>Trade receivables</b>						
(i) Undisputed Trade Receivables, considered good	149.65	0.32	19.07	-	-	169.04
(ii) Undisputed Trade Receivables, considered doubtful						
(iii) Disputed Trade Receivables, considered good	-	-	15.39	0.88	34.80	51.07
(iv) Disputed Trade Receivables, considered doubtful						
Less: Provision for doubtful debts		-				-
	149.65	0.32	34.45	0.88	34.80	220.10
<b>Total</b>	<b>149.65</b>	<b>0.32</b>	<b>34.45</b>	<b>0.88</b>	<b>34.80</b>	<b>220.10</b>

Trade Receivable stated above include debts due by:

Particulars	As at 31st March 2022	As at 31st March 2021
	Amount ( In Rs. lakh)	Amount ( In Rs. lakh)
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
	-	-

Note 7: FINANCIAL ASSETS- TRADE RECEIVABLES						Rs in Lakhs	
Particulars	As at 31st March 2022						
	Amount ( In Rs.)						
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total	
A. Trade receivables							
(i) Undisputed Trade Receivables, considered good	202.79	-	8.78	3.28	3.45	218.29	
(ii) Undisputed Trade Receivables, considered doubtful							
(iii) Disputed Trade Receivables, considered good	0.64	-	-	31.15	24.12	55.91	
(iv) Disputed Trade Receivables, considered doubtful							
Less: Provision for doubtful debts					(3.08)	(3.08)	
	203.43	-	8.78	34.43	24.49	271.12	
Total	203.43	-	8.78	34.43	24.49	271.12	
					Rs in Lakhs		
Particulars	As at 31st March 2021						
	Amount ( In Rs.)						
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total	
Trade receivables							
(i) Undisputed Trade Receivables, considered good	149.65	0.32	19.07	-	-	169.04	
(ii) Undisputed Trade Receivables, considered doubtful							
(iii) Disputed Trade Receivables, considered good	-	-	15.39	0.88	34.80	51.07	
(iv) Disputed Trade Receivables, considered doubtful						-	
Less: Provision for doubtful debts		-				-	
	149.65	0.32	34.45	0.88	34.80	220.10	
Total	149.65	0.32	34.45	0.88	34.80	220.10	

<b>Note 8: FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS</b>		<b>Rs in Lakhs</b>
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
<b>Cash and cash equivalents</b>		
i) Cash in hand	415.75	422.88
ii) In Current Accounts	1,645.56	715.39
	<b>2,061.31</b>	<b>1,138.28</b>
<b>Note 9: FINANCIAL ASSETS - BALANCE WITH BANKS OTHER THAN CASH AND CASH EQUIVALENTS</b>		<b>Rs in Lakhs</b>
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
<b>Other Balances with Banks</b>		
i) In Term Deposit Accounts with > 3 month and <12 months maturity	100.94	61.30
ii) In earmarked Term Deposit Accounts		
a. Pledged FD *	129.72	210.26
b. Margin money	60.34	57.53
c. Guarantees & Other Commitments	4.02	3.83
iii) In Unclaimed dividend accounts	0.22	0.22
	<b>295.25</b>	<b>333.14</b>
* Fixed deposit Pledged with State bank of India for borrowing facilities availed by wholly Owned Subsidiary company Paul Merchants Finance Private Limited		
<b>Note 10: FINANCIAL ASSETS - SHORT TERM LOANS</b>		<b>Rs in Lakhs</b>
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
<b>Loans and advances</b>		
Secured, Considered Good- Gold Loan	48,015.31	38,491.60
Unsecured, Considered Good	1,312.36	423.01
	<b>49,327.67</b>	<b>38,914.60</b>
<b>Note 11: FINANCIAL ASSETS - SHORT TERM ADVANCES</b>		<b>Rs in Lakhs</b>
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
<b>Others</b>		
Unsecured, Considered Good		
1. Advances to Other Parties (Net)	70.96	94.17
2. Security Deposits	897.62	293.49
3. Staff Imprest	(3.77)	10.89
4. Claims Recoverable	1.87	5.46
<b>Total (B)</b>	<b>966.67</b>	<b>404.01</b>
<b>Total</b>	<b>50,294.34</b>	<b>39,318.61</b>
<b>Disclosure pursuant to Note No. VIII (iv) of Division II of Schedule III to the Companies Act, 2013</b>		
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:		
		<b>Rs in Lakhs</b>
Particulars	As at 31st March 2022	As at 31st March 2021
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is also a director	18,481.62	13,788.50
	<b>18,481.62</b>	<b>13,788.50</b>
* Loan to Paul Merchants Finance Pvt Ltd (Wholly Owned Subsidiary)		

Note 12: Current tax Assets		Rs in Lakhs
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
Balances with government authorities		
a. GST Input Credit	39.32	61.67
b. Advance Tax	920.00	437.00
c. Tax Deducted at Source	462.56	618.46
d. Tax Refund	178.55	340.87
<b>Total</b>	<b>1,600.43</b>	<b>1,458.00</b>
Note 13: OTHER CURRENT ASSETS		Rs in Lakhs
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
Prepaid expenses	103.14	95.17
Preliminary expenses	-	1.77
<b>Total</b>	<b>103.14</b>	<b>96.94</b>
Note 15: OTHER EQUITY		Rs in Lakhs
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
<b>A. Securities Premium Account</b>		
Opening Balance	7,595.08	7,595.08
Add : Securities premium credited on Share issue	-	-
<b>Total</b>	<b>7,595.08</b>	<b>7,595.08</b>
Less : Non Controlling Interest	-	-
<b>Closing Balance</b>	<b>7,595.08</b>	<b>7,595.08</b>
<b>B. Statutory Reserve</b>		
Opening Balance	852.68	460.29
(+) Current Year Transfer	419.30	392.40
<b>Total</b>	<b>1,271.99</b>	<b>852.68</b>
Less : Non Controlling Interest	-	-
	<b>1,271.99</b>	<b>852.68</b>
<b>C. Impairment Reserve</b>		
Opening Balance	17.80	-
(+) Current Year Transfer	37.11	17.80
<b>Total</b>	<b>54.90</b>	<b>17.80</b>
Less : Non Controlling Interest	-	-
	<b>54.90</b>	<b>17.80</b>
<b>D. Reserve and Surplus</b>		
Opening Balance	34,108.31	31,165.54
(+) Profit for Current Year	4,017.13	3,344.93
Other Comprehensive Income (net of tax)	(4.66)	8.04
(-) Dividends (including dividend distribution tax)	-	-
Less: Transferred to Statutory Reserves	(419.30)	(392.40)
Less: Transferred to Impairment Reserves	(37.11)	(17.80)
Less: Loss/change in reserve on acquisition of NCI	-	-
<b>Closing Balance</b>	<b>37,664.37</b>	<b>34,108.31</b>
<b>Other Equity Attributable to Owners</b>	<b>46,586.34</b>	<b>42,573.87</b>
<b>Non Controlling Interest (Equity)</b>		
Non Controlling Interest (Sec Premium)		
Non Controlling Interest (Statutory Reserve)		
Non Controlling Interest ( Gen Reserves)		
Non Controlling Interest (Current Year Profit)		
<b>Total Non Controlling Interest</b>	<b>-</b>	<b>-</b>
<b>Total Other Equity</b>	<b>46,586.34</b>	<b>42,573.87</b>

Note 16: NON CURRENT FINANCIAL LIABILITIES: BORROWINGS		Rs in Lakhs
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
<b>SECURED</b>		
<b>A. Non-Current Maturities of Term Loans</b>		
<b>1. From Banks</b>		
a. Car Loans (Secured by Hypothecation of Cars)	16.86	-
<b>2. From other Parties</b>		
a. Car Loans from DAIMLER Financial Services (Secured by Hypothecation of Car)	13.10	-
<b>Total</b>	<b>16.86</b>	<b>-</b>
Note 16A: LEASED LIABILITIES		Rs in Lakhs
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
Deferred Income	0.45	1.08
Security deposits received	8.00	7.37
<b>Total</b>	<b>8.45</b>	<b>8.45</b>
Note 17: LONG TERM PROVISIONS		Rs in Lakhs
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
Provision for employee benefits		
Gratuity - Unfunded	230.15	198.13
<b>Total</b>	<b>230.15</b>	<b>198.13</b>
CURRENT FINANCIAL LIABILITIES		
Note 18: CURRENT FINANCIAL LIABILITIES - BORROWINGS		Rs in Lakhs
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
<b>A. SECURED</b>		
Loans repayable on demand- From Banks		
(i) Cash Credit Facility (CC) (Secured by Inventory and Debtors (future & current) and Hypothecation of one Property )	451.32	507.63
(ii) Over Draft Facility (OD) (Secured by Pledged securities and Property of Parent company. Pls refer to note 6)	11,825.17	6,611.50
(iii) Short Term Loan from Bajaj Finance Ltd (Short Term Revolving Loan (STRL) Facility secured by commercial property situated at zirakpur)	500.00	
<b>Current maturities of long-term debt</b>		
a. Loans from HDFC Bank (Secured by Hypothecation of Cars)	12.44	-
b. Car Loans from Daimler Financial Services India Private Ltd (Secured by Hypothecation of Cars)	16.16	45.85
<b>b. FROM OTHER PARTIES</b>	-	-
<b>B. UNSECURED</b>		
(i) Loans and advances from related parties	332.50	777.56
<b>Total</b>	<b>13,137.58</b>	<b>7,942.53</b>



Note 20: OTHER SHORT TERM FINANCIAL LIABILITIES		Rs in Lakhs
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
(a) Security deposits	3.20	3.20
<b>(b) Statutory Payables</b>		
(i) PF Payable	20.98	15.43
(ii) ESI Payable	1.97	1.72
(iii) TDS Payable	124.41	46.63
(iv) TCS Payable	144.37	126.95
(v) GST Payable	48.20	49.33
(v) Dividend Payable	-	-
(vi) Kerala Cess Payable	-	0.04
(c) Expenses Payable	447.22	352.91
(d) Unclaimed dividends	0.22	0.22
(e) Other payables	523.40	297.87
<b>Total</b>	<b>1,313.97</b>	<b>894.30</b>
Note 21: OTHER CURRENT LIABILITIES		Rs in Lakhs
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
(a) Revenue Received in Advance	1,808.11	539.53
(b) Share of Loss in LLP	-	0.49
<b>Total</b>	<b>1,808.11</b>	<b>540.02</b>
Disclosure under Rule 16A of the Companies (Acceptance of Deposits) Rules, 2014		
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
Advance Received from Directors	NIL	NIL
Advance Received from relatives of Directors	NIL	NIL
Note 22: SHORT TERMS PROVISIONS		Rs in Lakhs
Particulars	As at 31st March 2022 Amount ( In Rs.)	As at 31st March 2021 Amount ( In Rs.)
<b>(a) Provision for employee benefits</b>	<b>127.18</b>	<b>66.08</b>
Gratuity - Unfunded	7.76	6.88
Leave Encashment	42.43	17.85
Bonus	76.99	41.35
<b>(b) Others</b>		
Provision for Taxes	1,344.43	1,035.11

Provision for NPA	-	95.07
Provision for ECL on Loan Asset	133.76	-
<b>Total</b>	<b>1,605.37</b>	<b>1,196.25</b>

Note 23: REVENUE FROM OPERATIONS		Rs in Lakhs
Particulars	For the Year ended 31st March 2022 Amount ( In Rs.)	For the Year ended 31st March 2021 Amount ( In Rs.)
<b>Sale of Services</b>		
Foreign Exchange	5,26,625.57	2,95,259.14
FX Service Charges	480.82	249.15
Sales of Hotel Bookings & Packages*	61.61	9.15
Revenue from Air Ticketing *	104.13	41.95
Revenue from Hotel Bookings & Packages *	9.92	4.84
Revenue from Visa ,Bus Bookings,Railway	4.05	1.80
Interest Income -Paul Merchants Finance Pvt Limited	7,985.55	5,964.36
Income from Domestic Money Transfer Service	400.59	302.09
Sale of land - PML Realtors Private Limited	-	1,100.00
<b>Total - Sale of Services</b>	<b>5,35,672.24</b>	<b>3,02,932.49</b>
<b>Other Operating Revenues</b>		
<b>Rewards &amp; Incentives</b>	15.46	11.45
- FX Incentive	-	0.98
-Travel Incentive	15.46	10.47
<b>Credit Card Encashment</b>	8.03	8.02
<b>Other Service charges</b>	807.08	556.00
Commission Income--Paul Merchants Finance Pvt Limited	47.80	-
AD-1 Referral - Commission	713.17	511.64
International Money Transfer- Commission	37.72	43.43
Domestic Money Transfer - Commission	8.39	0.92
<b>Total - Other Operating Revenues</b>	<b>830.56</b>	<b>575.46</b>
<b>Total Revenue From Operations</b>	<b>5,36,502.81</b>	<b>3,03,507.95</b>
Note 24: OTHER INCOME		Rs in Lakhs
Particulars	For the Year ended 31st March 2022 Amount ( In Rs.)	For the Year ended 31st March 2021 Amount ( In Rs.)
<b>A. Interest Income</b>		
1. Interest on Bank Deposits	17.50	8.98
2. Other Interest	221.57	229.31
3. Interest on Income Tax Refund	12.85	14.30
<b>B. Dividend Income</b>	6.07	6.89
<b>C. Net Gain on Sale/Fair Valuation of investments</b>	(24.74)	356.16
1. Realized Gain on Sale of investments	(22.45)	257.88
2. Net Unrealized gain/ (loss) on financial instruments at fair value through profit or loss	(2.29)	98.28
<b>D. Other non-operating income</b>	138.05	145.15
1. Rental Income	39.18	87.47
2. Profit on sale of Fixed Assets	14.86	24.48
3. Franchisee Fees	0.28	0.19
4. Miscellaneous Income	83.10	32.42
5.Fair Valuation gain on Financial Assets	0.63	0.58
<b>Total</b>	<b>371.29</b>	<b>760.78</b>
Note 25: Purchase of Foreign Exchange and Services		Rs in Lakhs
Particulars	For the Year ended 31st March 2022 Amount ( In Rs.)	For the Year ended 31st March 2021 Amount ( In Rs.)
Foreign Exchange	5,17,965.06	2,90,555.24
Hotel Bookings & Packages	53.14	8.22
Purchase of Land - PML Realtors Private Limited	-	1,000.00
Work in progress	-	20.81
<b>Total</b>	<b>5,18,018.20</b>	<b>2,91,584.26</b>

Note 26: Changes in Inventories of Stock in Trade		Rs in Lakhs
Particulars	For the Year ended 31st March 2022 Amount ( In Rs.)	For the Year ended 31st March 2021 Amount ( In Rs.)
Closing Stock	587.20	601.17
Opening Stock	601.17	801.50
<b>NET DECREASE/(INCREASE)</b>	<b>13.96</b>	<b>200.33</b>
Note 27: DIRECT EXPENSES		Rs in Lakhs
Particulars	For the Year ended 31st March 2022 Amount ( In Rs.)	For the Year ended 31st March 2021 Amount ( In Rs.)
<b>COMMISSION AND INCENTIVES</b>	<b>6,867.08</b>	<b>3,492.51</b>
Forex Agents -AD II	6,261.25	3,061.33
Forex Agents - AD I Referral	378.20	268.49
Travel agent	2.11	-
Commission DMT & Indo Nepal	225.52	162.69
<b>Total</b>	<b>6,867.08</b>	<b>3,492.51</b>
Note 28: OFFICE & ADMINISTRATIVE EXPENSES		Rs in Lakhs
Particulars	For the Year ended 31st March 2022 Amount ( In Rs.)	For the Year ended 31st March 2021 Amount ( In Rs.)
Bad Debts and Balances Written Off	4.26	-
Brokerage	-	0.65
Communication Expenses	32.23	33.10
Computer Expenses	75.54	67.27
Conference Expenses	0.14	1.09
Conveyance Expenses	103.88	68.93
Generator Running Expenses	0.83	0.64
Insurance	81.81	72.50
Legal, Professional & Outsourcing	236.06	208.61
Statutory Audit Fees	2.24	2.40
Tax Audit Fees	0.68	0.50
Postage & Telegram	9.93	10.92
Power and Water Expenses	64.93	54.30
Printing and stationery	68.63	40.96
Rates and taxes	13.83	11.98
Rent	422.89	323.57
Repairs and maintenance	208.13	162.23
Office maintenance	7.50	3.28
Security Services	249.60	201.60
Travelling Expenses	36.21	25.71
Vehicle Running & Maintenances	19.92	10.80
Portfolio Management Services	2.00	1.26
Preliminary Expense	1.77	1.77
Provision for Impairment of Loan Asset	38.69	10.38
Office Expenses	2.52	2.48
<b>Total</b>	<b>1,684.21</b>	<b>1,316.91</b>
Payments to the auditor as		For the Year ended 31st March 2022 For the Year ended 31st March 2021
Statutory Audit Fees	2.24	2.40
Tax Audit Fees	0.68	0.50
GST Audit fee	-	1.50
Certification Charges	1.30	-
<b>Total</b>	<b>4.22</b>	<b>4.40</b>

Note 29: EMPLOYEE BENEFIT EXPENSES			Rs in Lakhs	
Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021		
	Amount ( In Rs.)	Amount ( In Rs.)		
Salaries & Benefits	2,794.22	2,107.26		
Salaries & Allowances	2,648.18	1,996.96		
Bonus	104.19	72.94		
Leave Encashment	41.85	37.36		
<b>Contributions to:</b>				
(i) Provident Fund	116.67	93.76		
(ii) ESI	17.89	15.47		
(iii) NPS	1.54	1.39		
Gratuity	48.04	41.38		
Staff Recruitment Expenses	0.01	0.23		
Staff welfare expenses	91.02	58.72		
<b>Total</b>	<b>3,069.40</b>	<b>2,318.20</b>		
Note 30: FINANCE COSTS			Rs in Lakhs	
Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021		
	Amount ( In Rs.)	Amount ( In Rs.)		
<b>Interest Expenses:</b>				
Interest on Demand Loans	552.31	343.06		
Interest on Term Loans	119.65	0.19		
Interest on Car Loans	4.90	-		
Other Interest	142.70	-		
Notional Interest on Security Deposit	0.63	0.58		
<b>Other Finance Expenses:</b>				
Bank Charges	294.98	135.58		
Credit Card Charges	0.83	1.01		
<b>Total</b>	<b>1,116.00</b>	<b>480.42</b>		
Note 31: SALES PROMOTION EXPENSES			Rs in Lakhs	
Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021		
	Amount ( In Rs.)	Amount ( In Rs.)		
Advertisement & Publicity	167.92	46.26		
Business Promotion	71.62	9.06		
<b>Total</b>	<b>239.54</b>	<b>55.32</b>		
Note 32: CSR- CORPORATE SOCIAL RESPONSIBILITY			Rs in Lakhs	
Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021		
	Amount ( In Rs.)	Amount ( In Rs.)		
<b>A) Amount Spent During the year</b>	<b>Amount Paid</b>	<b>Amount Paid</b>		
Animal Welfare	-	1.23		
Promoting Healthcare	20.52	27.57		
Eradicating hunger	38.63	24.90		
Employment enhancing Vocation skills	0.76	0.74		
Promoting education	6.95	4.71		
Administrative overheads(including Salary of one employee dedicated for CSR activities)	1.36	1.90		
Restoration of historical sites	-	2.51		
<b>B) AMOUNT YET TO BE PAID</b>	<b>NIL</b>	<b>NIL</b>		
<b>Total</b>	<b>68.21</b>	<b>63.56</b>		

<b>Note 33: OTHER EXPENSES</b>		<b>Rs in Lakhs</b>
Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
	Amount ( In Rs.)	Amount ( In Rs.)
Donations	0.60	10.87
Provision for Expected Credit Loss	3.08	17.72
Fees & Subscriptions	9.40	7.28
<b>Total</b>	<b>13.07</b>	<b>35.87</b>
<b>Note 34: EXCEPTIONAL ITEMS</b>		<b>Rs in Lakhs</b>
Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
	Amount ( In Rs.)	Amount ( In Rs.)
Loss on Sale of Investment in JV	-	-
Provision for Share in liability towards loss in Joint Venture	64.23	-
<p>The Company had entered into a Share purchase agreement (SPA) with Al Jadeed Investment International SPC, Muscat, Sultanate of Oman for sale of its entire shareholding in the Joint Venture (JV) M/s Horizon Remit Sdn. Bhd., Malaysia. The completion of transfer as per the said SPA is subject to approval by Bank Negara Malaysia and Reserve Bank of India (RBI), for which approval from RBI is pending as on date though applied for by the company. As per agreed terms, the existing shareholders of the JV are to ensure that the company does not have any outstanding liabilities on the date of transfer of the Company to the purchaser and as such entire sale consideration would be remitted directly to outstanding creditor of the JV, i.e. Western Union. Further, to clear off balance liabilities, a sum of USD 86,820 equal to Rs. 64.22 lakhs has been finally ascertained to be payable to Western Union on that account. The said amount has been estimated on basis of unaudited financial position of the JV as of 31st December, 2021 and as such the said amount has been reflected as Exceptional Item above.</p>		

**Note 35. MANAGERIAL REMUNERATION**

During the year the company incurred an expense towards managerial remuneration as detailed below:

Name of Director	Designation	For the Year ended 31st Mar 2022 Rs. In Lacs	For the Year ended 31st Mar 2021 Rs. In Lacs
Mr. Sat Paul Bansal	Chairman cum Managing Director till 31.08.2020, appointed as non executive director w.e.f 08.06.2021	0.00	166.20
Mr. Rajneesh Bansal	Managing Director w.e.f 01.09.2020	263.57	159.68
Mr. Dharam Pal Sharma	Whole Time Director	10.31	8.70
Mr. Ritesh Vaid*	Designated Director w.e.f 10.02.2022	4.70	0.00
<b>Total</b>		<b>278.58</b>	<b>334.58</b>

\* Includes reimbursement of helper expenses

**Note 36. CONTINGENT LIABILITY NOT PROVIDED FOR**

Particulars	As at 31st March 2022 Rs. In Lacs	As at 31st March 2021 Rs. In Lacs
Claims against company not acknowledged as Debt	10.55	10.34
Outstanding Bank Guarantees	20.00	20.00
Service Tax Demand Notice pending Departmental Appeal with High Court (excl. Interest) including Penalty	670.84	670.84
Corporate Guarantee in Respect of OD Limits taken by Paul Merchants Finance Private Limited Company from Kotak Bank , ICICI Bank, State Bank of India, AU Small Finance Bank and IDBI	18,490.00	9,990.00
Income Tax Demand Notice pending before AO for rectification	1.14	211.72
Income Tax Demand Notice pending for AY 2020-21	99.25	-
Demand by Enforcement Directorate	540.00	540.00
Liability in respect of Malaysia JV (Please refer to Note 37)	-	95.48
<b>Total</b>	<b>19,831.78</b>	<b>11,538.38</b>

**Note 37. Joint Venture/LLP**

The company has a Joint Venture (JV) in Malaysia named M/s Horizon Remit SDN BHD (formally M/s Prabhu Remit SDN BHD) having 19.424% share. The other partners in the said JV are EbixCash World Money India Limited (earlier known as Weizmann Forex Ltd.) having 19.424% share (Previous Year 19.424%), Western Union Processing Ltd, having 40% share (Previous Year 40%) and Transcorp Enterprises Limited having 20% share (Previous Year 20%). The stake was acquired by purchase of shares from existing promoters of the JV in the year 2010 and then by direct acquisition of shares from time to time. The Other Details pursuant to Financial Reporting of Interests in Joint Ventures are as follows:

Particulars	(Rs. In Lacs)	
	As at 31st Mar 2022	As at 31 March 2021
Interest in JV (%)	19.42%	19.42%
Investment in JV	304.72	304.72
Less: Impairment Loss	(304.72)	(304.72)
<b>Value of Capitalized Investment in JV</b>	<b>-</b>	<b>-</b>
Proportional Interest in		
- Assets	40.31	26.06
- Liabilities	181.78	96.60
Share of Income/(Loss) from JV	(64.23)	(76.82)
Expenditure Incurred	-	-

M/s Horizon Remit SDN BHD-

The Company had entered into a Share purchase agreement (SPA) with Al Jadeed Investment International SPC, Muscat, Sultanate of Oman for sale of its entire shareholding in the Joint Venture (JV) M/s Horizon Remit Sdn. Bhd., Malaysia. The completion of transfer as per the said SPA is subject to approval by Bank Negara Malaysia and Reserve Bank of India (RBI), for which approval from RBI is pending as on date though applied for by the company. As per agreed terms, the existing shareholders of the JV are to ensure that the company does not have any outstanding liabilities on the date of transfer of the Company to the purchaser and as such entire sale consideration would be remitted directly to outstanding creditor of the JV, i.e. Western Union. Further, to clear off balance liabilities, a sum of USD 86,820 equal to Rs. 64.23 lakhs has been finally ascertained to be payable to Western Union on that account. The said amount has been estimated on basis of unaudited financial position of the JV as of 31st December, 2021 and as such the said amount has been reflected as Expenditure incurred in note above.

During the previous year ended 31st Mar 2021, the Company had provided for impairment in value of its investment in Malaysian Joint Venture Horizon Remit Sdn. Bhd. amounting to Rs 304.72 Lakhs. This impairment had been chiefly triggered due to significant financial difficulties faced by said JV for the past some time which got irreparably aggravated due to Covid-19 outbreak last year as a result of which the JV had continued to incur significant losses. The entire cost of investment had been recognised as impairment loss as the net recoverable amount after adjusting for costs of disposal associated with the investment was evaluated to be Nil basis financial statements of the JV.

Paul Innovations LLP - The Company is one of the partner in Paul Innovations LLP holding 50% share in which other partner is Espranza Innovations Private Limited. The share of loss of Rs 1.41 Lakhs (Previous Year Rs 0.03 Lakhs) during the year in said LLP. There is capital contribution of Rs. 40,40,000/- made during the year in said LLP.

Paul Tech Park LLP- The Company was one of the partner in Paul Tech Park LLP holding 50% share in which other partner was Espranza Innovations Private Limited. The results of the said LLP have been consolidated till 31.12.2021 and thereafter the application for strike off the LLP was made by the Partners of the LLP. The Share of loss in said LLP for the period till 31.12.2021 amounts to Rs 0.46 Lakhs (Previous Year Rs 0.46 Lakhs). There is no capital contribution made during the year to this LLP.

**Note 38. Earnings per Share**

Particulars	As at 31st Mar 2022 Rs. In Lacs	As at 31st March 2021 Rs. In Lacs
<b>Earnings per Share- Continuing Operations</b>		
Net Profit for the Year (Rs. )	4,017.13	3,344.93
Number of Equity Shares (Nos. )	10.28	10.28
Basic & Diluted EPS (Rs per Share )	390.77	325.38
<b>Earnings per Share - Discontinued Operations</b>		
Net Profit for the Year (Rs. )	-	-
Number of Equity Shares (Nos. )	10.28	10.28
Basic & Diluted EPS (Rs per Share )	-	-
<b>Earnings per Share - Continuing and Discontinued Operations</b>		
Net Profit for the Year (Rs. )	4,017.13	3,344.93
Number of Equity Shares (Nos. )	10.28	10.28
Basic & Diluted EPS (Rs per Share )	390.77	325.38



**Note 39. Related Party Disclosures**

(Disclosure as per Ind AS 24 )

**A. List of Related Parties**

Name of Related Party	Relationship
Rajneesh Bansal	Managing Director w.e.f 01.09.2020
Dharam Pal Sharma	Whole Time Director & Designated Director
Ritesh Vaid	Designated Director appointed from 10.02.22
Nita Bansal	Relative of Director
Bhupinder Kaur	Key Management Personnel- CFO resigned w.e.f 08.02.22
Rajesh Garg	Key Management Personnel- CFO appointed w.e.f 10.02.22
Hardam Singh	Key Management Personnel- CS
Paul Merchants Finance Private Limited	Wholly Owned Subsidiary
PML Realtors Private Limited	Wholly Owned Subsidiary
Horizon Remit SDN BHD, Malaysia	Joint Venture Company
Paul Tech Pak LLP(Previously known as Paul and Singla Realtors LLP)	LLP in which company was designated partner
Paul E-commerce Private Limited	Private company in which relatives of directors are also Directors and shareholders
Paul Instacred Private Limited	Private company in which directors & relative of directors are also Directors and shareholders.
Paul Innovations LLP	LLP in which company is designated partner

**B. Related Party Transactions in Ordinary Course of Business****For the Year ended 31st March 2022****(Rs. In Lakhs)**

Nature of Transaction	Directors	Key Management Personnel	Relative of Directors	Wholly Owned Subsidiary	Related Party	Total
Managerial Remuneration - Whole Time Directors	279					279
Remuneration - KMPs*		58				58
Rent Paid for Premises	16					16
Rent Received	-	-		12	3	15
Net Service Charges Earned - Indo Nepal & Domestic						
Money Transfer from Paul Merchants Finance Private Limited	-	-		13		13
Net additional working capital limit issued to Paul Merchants Finance Private Limited during the year	-	-		4,693		4,693
Interest earned from Paul Merchants Finance Private Limited on Working Capital limit	-	-		1,448		1,448
Investment in Paul Innovations LLP					40	40
Dividend Received	-	-		140		140
Commission for cross reference Sales	-	-		21		21
Sale of Goods/Services	0		3	8	28	39

\* includes reimbursements for helper and uniform expenses

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

**C. Related Party Outstanding Balance as on:****(Rs. In Lakhs)**

Nature of Transaction	Directors	Key Management Personnel	Relative of Directors	Subsidiary	Related Party	Total
<b>Balance as on 31st March 2022</b>						
Outstanding working capital loan to Paul Merchants Finance Private Limited	-	-	-	18,482	-	18,482
Paul Innovations LLP					-	-

Pls refer to Note 1 , 6 & 36 for details on Securities/Assets pledged and Corporate Guarantee given for Sanction of Limits in Paul Merchants Finance Private Limited from Kotak Mahindra Bank Limited, ICICI Bank Limited, State Bank of India, AU Small Finance Bank and IDBI

D. Loans and Advances in the nature of Loans granted to promoters, directors, KMP's, and related parties

Type of Borrower	Amount of loan or advances in nature of loan outstanding as on 31.03.2022	Percentage to total loans and advances in the nature of loans	Amount of loan or advances in nature of loan outstanding as on 31.03.2021	Percentage to total loans and advances in the nature of loans
Promoter	-		-	
Directors	-		-	
KMP's	-		-	
Related Parties (wholly owned Subsidiary Company)	18,482	100%	13,789	100%

E. Related Party Transactions in Ordinary Course of Business for the Previous Year ended 31st March 2021

(Rs. In Lakhs)

Nature of Transaction	Directors	Key Management Personnel	Relative of Directors	Wholly Owned Subsidiary	Related Party	Total
Managerial Remuneration - Whole Time Directors	334.58					334.58
Remuneration - KMPs		42.95				42.95
Rent Paid for Premises	27.85			0.97	3.00	31.82
Rent Received	-	-		17.67	7.72	25.39
Net Service Charges Earned - Indo Nepal & Domestic						
Money Transfer from Paul Merchants Finance Private Limited	-	-		9.59		9.59
Net additional working capital limit issued to Paul Merchants Finance Private Limited during the year	-	-		3,617.00		3,617.00
Interest earned from Paul Merchants Finance Private Limited on Working Capital limit	-	-		1,196.10		1,196.10
Dividend Received	-	-		248.14		248.14
Commission for cross reference Sales	-	-		7.05		7.05
Sale of Goods/Services				5.40	4.47	9.87
Expense towards Software Development					20.81	20.81

F. Related Party Outstanding Balance as on 31 March 2021

Outstanding working capital loan to Paul Merchants Finance Private Limited	-	-	-	13,788.50	-	13,788.50
Paul Innovations LLP -Outstanding expenses					0.43	0.43

Note 40. Deferred Tax

(As per IND AS 12 Income taxes)

(Rs. In Lakhs)

Deferred Tax Assets on Account of Timing Differences	As at 01.04.2021	Arising During the Year	As at 31.03.2022
Depreciation	124.88	(25.62)	99.26
Provision for Gratuity	51.59	8.29	59.88
Provision for Bonus	6.16	2.95	9.11
Provision for Leave encashment	-	-	-
Unrealized Loss on Investments	-	-	-
Impairment Loss	69.72	14.70	84.42
IndAS Adjustment		4.91	4.91
<b>Deferred Tax Liability</b>			
Unrealized Gain on Investments	(24.74)	(12.08)	(36.81)
<b>Net Deferred Tax Asset</b>	<b>227.62</b>	<b>(6.85)</b>	<b>220.76</b>

**Note 41. Segment Reporting**

As per IND AS-108 on Segment Reporting, segment Information is provided below:

(Amount Rs in Lakhs)

Sr. No	PARTICULARS	For the Year ended 31st March 2022	For the Year ended 31st March 2021
<b>1</b>	<b>Segment Revenue</b>		
(a)	Forex	5,27,827.88	2,96,029.12
(b)	Travel	195.17	68.22
(c)	Others	8,479.76	7,410.61
	<b>Total</b>	<b>5,36,502.81</b>	<b>3,03,507.95</b>
	<b>Less: Inter Segment Revenue</b>		
(a)	Forex	0.00	0.00
(b)	Travel	0.00	0.00
(c)	Others	0.00	0.00
	<b>Net sales/Income From Operations</b>	<b>5,36,502.81</b>	<b>3,03,507.95</b>
<b>2</b>	<b>Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#</b>		
(a)	Forex	1,071.74	240.49
(c)	Travel	6.19	-39.16
(d)	Others	5,321.15	4,465.94
	<b>Total</b>	<b>6,399.09</b>	<b>4,667.28</b>
	<b>Less:</b>		
i)	Interest	1,116.00	480.42
ii)	Other Un-allocable Expenditure net off	260.70	525.22
iii)	Un-allocable income	371.29	760.78
	<b>Total Profit Before Tax</b>	<b>5,393.68</b>	<b>4,422.41</b>
	Segment - International Money Transfer (Discontinued)		259.75
	<b>Total Profit Before Tax (Continuing and Discontinued Operations)</b>	<b>5,393.68</b>	<b>4,682.17</b>
<b>3</b>	<b>Segment Assets</b>		
(a)	Segment - Forex	2,466.13	1,967.18
(b)	Segment - Travel	144.50	153.20
(c)	Segment - Others	47,772.32	37,530.92
(d)	Unallocated Assets	14,526.12	13,869.58
	<b>Total</b>	<b>64,909.08</b>	<b>53,520.89</b>
<b>4</b>	<b>Segment Liabilities</b>		
(a)	Segment - Forex	2,291.22	1,483.52
(b)	Segment - Travel	64.07	47.44
(c)	Segment - Others	0.00	0.00
(d)	Unallocated Liabilities	15,864.65	9,313.25
	<b>Total</b>	<b>18,219.94</b>	<b>10,844.22</b>
<b>5</b>	<b>Capital Employed</b>		
(a)	Forex	174.92	483.66
(b)	Travel	80.43	105.76
(c)	Others	47,772.32	37,530.92
(d)	Unallocated Assets	14,526.12	13,869.58
(e)	Unallocated Liabilities	15,864.65	9,313.25
	<b>Total</b>	<b>46,689.14</b>	<b>42,676.67</b>

Note 42. Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements

Name of the Company	Amount (Rs in Lacs)							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in comprehensive income		Share in Total comprehensive Income	
	as %age of consolidated net assets	Amount (Rs in Lacs)	as %age of consolidated profit or loss	Amount (Rs in Lacs)	as %age of consolidated other comprehensive income	Amount	as %age of consolidated total comprehensive income	Amount (Rs in Lacs)
<b>Paul Merchant Limited</b>	<b>67%</b>	<b>42,454.13</b>	<b>49%</b>	<b>2,039.02</b>	<b>76%</b>	<b>(3.54)</b>	<b>49%</b>	<b>2,035.48</b>
<b>Subsidiary Companies:</b>		-		-				
Paul Merchants Finance Private Limited	29%	18,179.27	50%	2,097.64	24%	(1.12)	52%	2,096.52
PML Realtors Private Limited	4%	2,633.45	1%	20.99	0%	-	1%	20.99
<b>Joint Venture (Investment as per Equity Method):</b>								
M/s Horizon Remit BHD. SDN. , Malaysia	0%	-		-		-		-
Paul Tech Park LLP	0%		0%	0.46			0%	0.46
Paul Innovations LLP	0%		0%	(1.41)			0%	(1.41)
<b>Sub Total</b>	<b>100%</b>	<b>63,266.85</b>	<b>100%</b>	<b>4,156.70</b>	<b>100%</b>	<b>(4.66)</b>	<b>100%</b>	<b>4,152.04</b>
Adjustments arising out of consolidation		(16,577.71)		(139.58)				(139.58)
<b>TOTAL</b>		<b>46,689.14</b>		<b>4,017.13</b>		<b>(4.66)</b>		<b>4,012.46</b>

**Note 43. Financial Ratios**

Particulars	As at 31st March 2022	As at 31st March 2021	% Change during the year	Numerator	Denominator	Reasons for change
(a) Current Ratio	3.24	4.41	-26.53	Current Assets	Current Liabilities	Current liabilities increased compared to last year mainly due to increase in advance from customers and borrowings balance at the year end
(b) Debt - Equity Ratio	28.17%	18.61%	51.39	Borrowings	Equity	Borrowings increased at year end
(c ) Debt Service Coverage Ratio	6.08	10.23	-40.55	Profit before tax, depreciation & interest	Interest Expense	Interest cost increased due to new term loan from Bajaj Finance
(d) Return on Equity Ratio	8.60%	7.84%	9.78	Profit after tax	Equity	Profit after tax increased
(e ) Inventory turnover Ratio	92.62	70.48	31.41	Purchases	Average Inventory	Purchases increased as compared to previous year
(f) Trade Receivables turnover Ratio	12.09	5.28	128.80	Credit sales during the year	Average Trade Receivables	Credit sales increased as compared to previous year
(g) Trade payables turnover Ratio	0.65	0.13	409.07	Credit purchase during the year	Average Trade Payable	Credit purchase increased as compared to previous year
(h) Net Capital turnover ratio	13.33	8.37	59.33	Revenue from operations	Working Capital (CA-CL)	Revenue from operations increased as compared to previous year
(i) Net profit Ratio	1.00%	1.45%	-30.88	Profit before tax	Revenue from operations	
(j) Return on Capital employed	10.50%	9.43%	11.43	EBIT	Capital Employed	EBIT increased as compared to previous year
(k) Return on investment	6.70%	15.83%	-57.71	Interest & dividend income from investments	Current & Non current investment	

**Note 44. Other Notes**

- <sup>a</sup> Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.
- <sup>b</sup> Additional information pursuant to Schedule III Division II part I & II of the Companies Act. 2013 other than stated above is either NIL or Not Applicable.
- <sup>c</sup> The previous Year figures have been regrouped/re-classified/re-stated wherever necessary to conform with the current presentation.
- <sup>d</sup> Notes form integral part of Accounts for the year ending 31st March 2022

**PLACE: CHANDIGARH**
**Dated : 12.05.2022**
**AUDITOR'S REPORT:**
**As per our Separate Report of the Even Date**
**For & on Behalf of Board of Directors**

**RITESH VAID**  
Whole Time Director  
DIN- 09433856  
H. No. 3274/1,  
Sec 40D, Chandigarh

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

**For RAJIV GOEL AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(FRN – 011106N)**

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

**RAJESH GARG**  
Chief Financial Officer  
FCA-096484  
H. No. 472, Mamta Enclave  
Dhakoli, NAC, Zirakpur

**CA. ROHIT GOEL**  
Partner  
**(M. No. 091756)**



**PAUL MERCHANTS Ltd.<sup>®</sup>**