

**37th ANNUAL REPORT
FOR THE YEAR ENDED
31st MARCH, 2021**



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

www.paulmerchants.net

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CORPORATE INFORMATION

<p>BOARD OF DIRECTORS</p> <p>Mr. Sat Paul Bansal, Additional Director Cum Chairman in Non-Executive Category* Mr. Rajneesh Bansal, Managing Director Mr. Sandeep Bansal, Non-Executive Director Mrs. Sarita Rani Bansal, Non-Executive Director Mr. Dharam Pal Sharma, 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, Additional Director in Independent category** Mr. Jeewan Lal Negi, Additional Director in Independent category***</p> <p>* Appointed as Additional Director Cum Chairman in Non-Executive Category w.e.f. 08.06.2021, subject to approval of the shareholders in the ensuing Annual General Meeting (AGM). ** Appointed as Additional Director in Independent category w.e.f. 12.11.2020 subject to approval of the shareholders in the ensuing Annual General Meeting (AGM). ***Appointed as Additional Director in Independent category w.e.f. 08.06.2021 subject to approval of the shareholders in the ensuing Annual General Meeting (AGM).</p> <p>REGISTERED OFFICE</p> <p>DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi -110015 TEL: 011-48702000 EMAIL: info@paulmerchants.net</p> <p>CORPORATE OFFICE</p> <p>SCO 829-830, Sector 22-A, Chandigarh - 160 022 TEL: 0172-5041786, 5025090 FAX: 0172-5041713 EMAIL- info@paulmerchants.net WEBSITE: www.paulmerchants.net</p> <p>CIN: L74900DL1984PLC018679</p> <p>WHOLLY OWNED SUBSIDIARIES</p> <p>PML Realtors (P) Ltd Paul Merchants Finance (P) Ltd</p> <p>Stock Exchange – BSE Ltd</p>	<p>STATUTORY AUDITORS</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>INTERNAL AUDITOR</p> <p>CA Rajesh Garg (FCA 096484)</p> <p>SECRETARIAL AUDITOR</p> <p>Mr. Anil Negi ACS No. 46547</p> <p>CHIEF FINANCIAL OFFICER</p> <p>Mrs. Bhupinder Kaur FCA-508485</p> <p>COMPANY SECRETARY</p> <p>Mr. Hardam Singh (FCS 5046)</p> <p>PRINCIPAL BANKERS</p> <p>HDFC Bank State Bank Of India ICICI Bank Axis Bank Indusind Bank Yes Bank</p> <p>REGISTRAR & TRANSFER AGENT</p> <p>Alankit Assignments Limited, Corp. Office:- 1E/13, 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 2020-21 – AT A GLANCE (ON STAND ALONE BASIS)

MONEY EXCHANGE ACTIVITIES (FOREX)

Gross Turnover – Rs. 2955.08 Crores

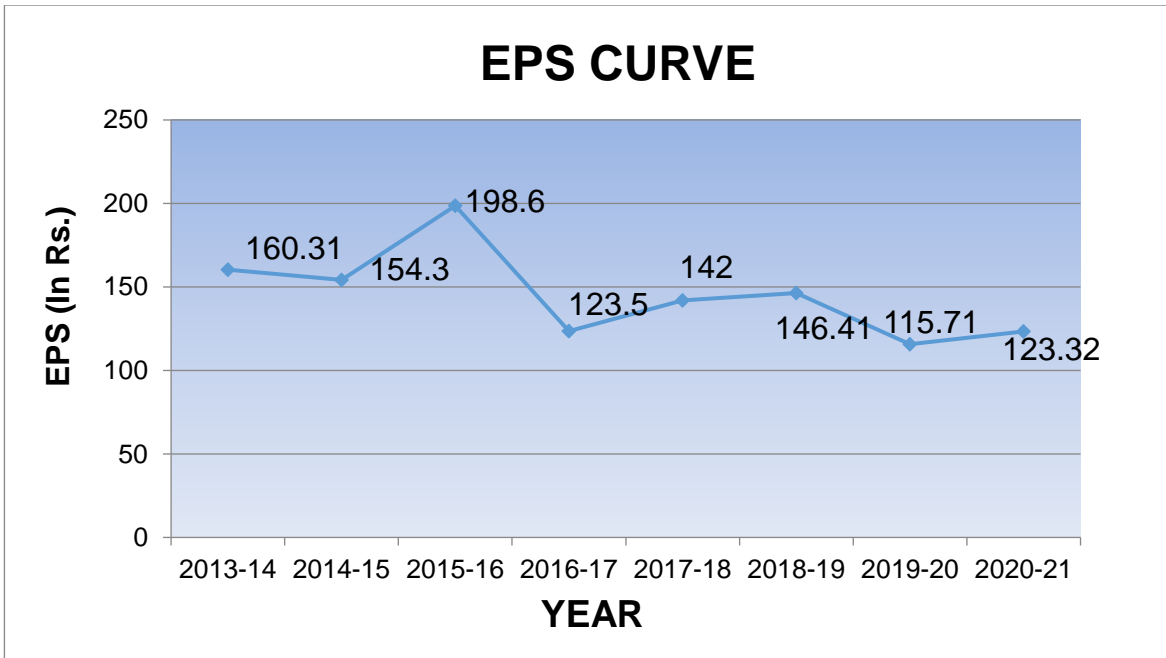
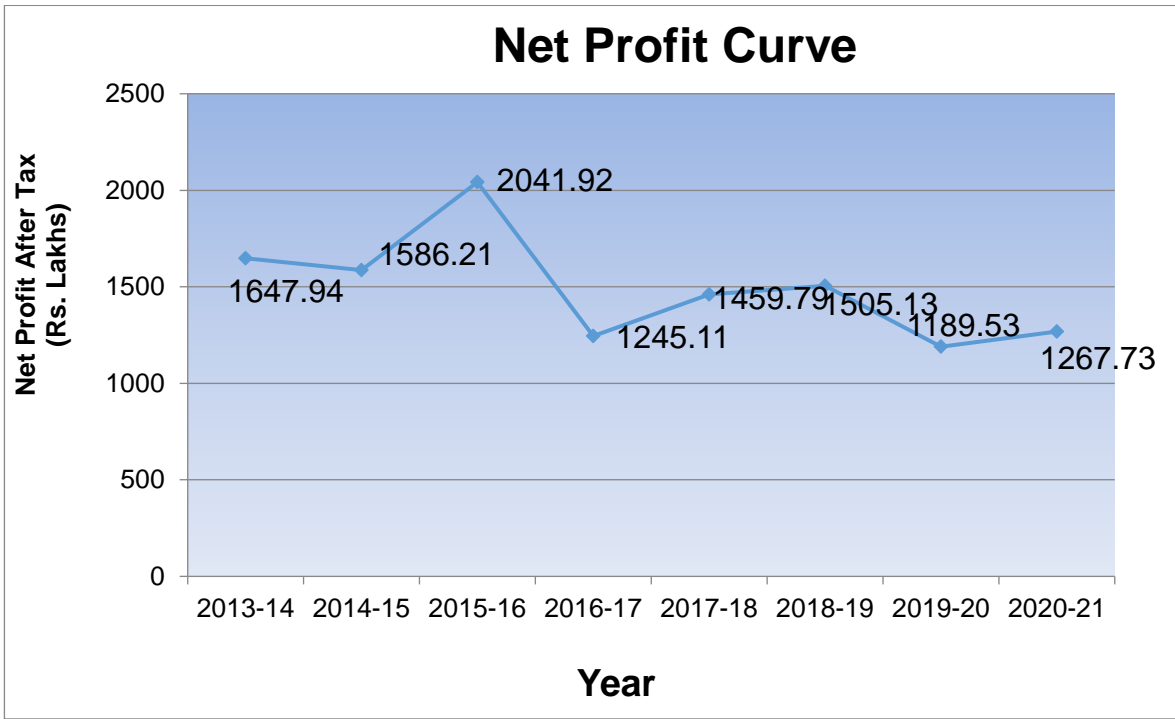
OVERALL PERFORMANCE

Gross Revenues – Rs. 2955.66 Crores

PROFITABILITY

Net Profit Before Tax – Rs. 15.98 Crores

Net Profit After Tax – Rs. 12.68 Crores



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, Ahmedabad 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, 1St Floor , Nicholson Road, Punjabi Mohalla, Ambala Cantt , Haryana - 133001
6	NORTH	AMRITSAR	PUNJAB	Ground Floor, Shop No 5, Deep Cpmplex,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	Dr. Ambedkar Chowk, SCO 30, Fuwara, Jalandhar Rd, Batala, Punjab 143505
11	NORTH	BATHINDA	PUNJAB	Ground Floor, Shap 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	BHATINDA	PUNJAB	The Mall ,Hanuman Chownk , , 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, First 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, 3Rd Floor , Dlf Tower, 15 Shivaji Marg, Najafgarh Road, Moti Nagar, New Delhi
21	NORTH	FARIDKOT	PUNJAB	Jubilee Cinema Chowk, Collage Road, Opp. Canera Bank, College Road ,Faridkot(Punjab)
22	NORTH	FEROZEPUR	PUNJAB	The Mall Raod, 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 Sbob, 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, Phawara Chowk, Hoshiarpur-144205
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,Katewa 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	81 -A Gole Market , Gandhi Nagar, Jammu.
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 Gt 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, Nawanshahar-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, Honda City Centre , Opp. Bus Stand Phagwara 144401 Distt Kapurthala
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	RUP NAGAR	PUNJAB	SCO NO. 24 Beant Singh Aman Nagar, Rupnagar Part-2, District Rupnagar
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, Nr,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, Nr 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 37th Annual General Meeting of the shareholders of M/s Paul Merchants Limited will be held on Wednesday, the 29th day of September, 2021 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, 2021 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, 2021 and the Report of the Auditors thereon.
3. To appoint a Director in place of Smt Sarita Rani Bansal (DIN 00094504), who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Sh Sandeep Bansal (DIN 00094391), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable Rules made under the Act read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 16 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. INDER SAIN NEGI (DIN 08947230), aged about 65 years, who 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. 12-11-2020 and who holds office up to the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and is eligible for appointment and in respect of whom the Company has received a Notice in writing from him under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term commencing from 12-11-2020 and ending on 31-10-2025.

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 resolution, to take all requisite steps to give effect to this resolution and to decide the terms and conditions governing the appointment of Mr. INDER SAIN NEGI.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable Rules made under the Act read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 16 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. JEEWAN LAL NEGI (DIN 09166359) aged about 61 years, who 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 and who holds office up to the ensuing

Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and is eligible for appointment and in respect of whom the Company has received a Notice in writing from him under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term commencing from 08-06-2021 and ending on 31-03-2026.

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 resolution, to take all requisite steps to give effect to this resolution and to decide the terms and conditions governing the appointment of Mr. JEEWAN LAL NEGI.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable Rules made under the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), pursuant to the Articles of Association of the Company and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. SAT PAUL BANSAL (DIN: 00077499), aged 74 years, who was appointed as an Additional Director and Chairman of the Board by the Board of Directors of the Company w.e.f. 08-06-2021 and who holds office up to the ensuing Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a Notice in writing from him under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Non Independent Director and Chairman of the Board, liable to retire by rotation and also to act as Chairman of the Company within the applicable provisions of the Companies Act, 2013, Rules framed thereunder and SEBI Regulations.

RESOLVED FURTHER THAT continuation of appointment of Mr. Sat Paul Bansal as a Non Executive Director of the Company, on attaining the age of 75 (Seventy Five) years on 22-07-2022 during his tenure with the Company, be and is also hereby approved pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

"RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and other applicable provisions of the Act read over with all applicable Rules and Regulations framed thereunder including any amendment, re-enactment or statutory modification thereof for the time being in force, and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include any Committee thereof), the consent of the members of the Company be and is hereby accorded to adopt new set of Articles of Association in place of existing Articles of Association of the Company, copy of which is annexed to the Notice of this Annual General Meeting as **Annexure-N1**.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution including but not limited to the filing of necessary eforms, returns, documents with the Registrar of Companies and to comply with all other requirements in this regard.”

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

“RESOLVED THAT pursuant to provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member by the company by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed, the consent of the company be and is hereby accorded to charge from the member, the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the member for delivery of such documents to him, through a particular mode of services mentioned above, provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the company and that no such request shall be entertained by the company post the dispatch of such document by the company to the member.”

“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, including powers conferred by this Resolution, be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid”

Place: Chandigarh
Date: August 12, 2021

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

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

NOTES:

- (1) The Explanatory Statement as required under Section 102 of the Companies Act, 2013, in respect of item Nos. 5 to 9 of the Notice convening the Meeting is annexed hereto.
- (2) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its Circular no. 02/2021 dated January 13, 2021, read over with its earlier Circulars 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/2021/11 dated 15 January, 2021 read over with its earlier 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 (“SEBI Listing Regulations”) and the said MCA and SEBI Circulars, the 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. 23. The deemed venue for the 37th AGM shall be the Registered Office of the Company.
- (3) Members holding shares in physical form are requested to notify/send the following, if not provided earlier, to the Registrar & Transfer Agent (RTA) of the Company M/s Alankit Assignments Limited, 1E/13, Jhandewalan Extn. New Delhi- 110055 (INDIA) Ph No. : 011-42541959:-
- a. their bank account details by way of a cancelled cheque, in order to receive payment of dividend, whenever declared, through electronic mode.
 - b. copy of their self attested PAN
 - c. their email id, in case the same has not been sent earlier, for the purpose of receiving the communications including Annual Reports electronically
 - d. any change in their address/e-mail id/ECS mandate/ bank details
 - e. share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account
 - f. Members holding shares in dematerialized form are requested to notify to their Depository Participant :-
 - i. their email id.
 - ii. all changes with respect to their address, email id, ECS mandate and bank details.
- (4) The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose. The attention of the members is also invited to SEBI Circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20-04-2018, vide which SEBI had directed all the listed Companies to record the PAN and Bank account details of all their shareholders holding shares in physical mode through their RTA. Accordingly, your Company had initiated steps for registering the PAN details of all the shareholders (including joint holders, if any) and Bank Account details of the registered shareholders holding shares in physical form. Further, the attention of the members is also invited to Gazette Notification dated 08-06-2018 by SEBI, vide which SEBI 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.
- (5) 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 at least 7 days before the date of AGM through email to investor.redressal@paulmerchants.net. The same will be replied by the Company suitably.
- (6) 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 aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website www.paulmerchants.net and the website of the Stock Exchange i.e. BSE Limited at 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) i.e. www.evotingindia.com (Adobe PDF can be downloaded at <https://get.adobe.com/reader>). The copies of the Notice and Annual Report 2020-21 will also be available for inspection in electronic mode, basis the request being sent on investor.redressal@paulmerchants.net.
- (7) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (8) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- (9) 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. Further, the information of unclaimed and unpaid Dividend as on 31.03.2021 in respect of Interim Dividend declared and paid by the Board of Directors of the Company 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 2020-21 in due course. As on 31-03-2021, 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/2021/07/UNPAID-UNCLAIMED-DIVIDEND-31.03.2021.pdf>

- (10) In terms of Section 152 of the Companies Act, 2013, Smt Sarita Rani Bansal (DIN 00094504) and Sh Sandeep Bansal (DIN 00094391), Directors, retire by rotation at the 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-N2** and **Annexure-N3** respectively. Brief Resumes of other Directors proposed to be appointed/re-appointed including the ones whose remuneration is proposed to be approved, nature of their expertise in specific functional areas, disclosure of relationships between directors inter-se, names of listed entities in which the person also holds the directorship and the membership of Committees of the board, shareholding as stipulated under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and applicable Secretarial Standards are also annexed with the Notice of the AGM.
- (11) 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 appointment / re-appointment. It may be noted that DIN of Sh. Sandeep Bansal (DIN 00094391), Director had been deactivated by the Ministry of Corporate Affairs w.e.f. 01.11.2017 due to the default committed by M/s Chandigarh Network Systems (P) Ltd in filing the financial statements and annual returns with Registrar of Companies, which is not a group Company. Pursuant to the Writ Petition filed by Sh. Sandeep Bansal before the Hon'ble High Court of Punjab and Haryana, his disqualification as director had been stayed by the said High Court vide its interim order dated 19-03-2019 and his DIN has also been activated. The said proceedings are pending for final orders before the said High Court.
- (12) All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection in electronic mode, basis the request being sent on 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.
- (13) Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the RTA of the Company M/s Alankit Assignments Ltd the prescribed Form SH 13 for nomination and Form SH 14 for cancellation/ variation as the case may be. The Forms can be downloaded from Company's website www.paulmerchants.net under "Investors" Section. Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.
- (14) Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 15-09-2021 to 21-09-2021 (both days inclusive) for the purpose of AGM. Further, the members who hold shares

as on the Cut off date i.e. Wednesday, September 22, 2021 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.
- (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:**

- (i) 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). 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
- (ii) The Company shall also provide facility for voting through e-voting system which shall be available during the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM through evoting.
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) The voting period begins on 09:00 a.m. (IST) on Sunday, September 26, 2021 and ends on 05:00 p.m. (IST) on Tuesday, September 28, 2021. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22-09-2021 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 the 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
- (vii) 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.
- (viii) The cut-off date for the purpose of evoting (including remote e-voting) and for attending the AGM is after closing hours of Wednesday, 22nd September, 2021.

- (ix) Members are requested to carefully read the instructions for remote e-voting before casting their vote.
- (x) 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:-

Commencement of remote e-voting	Sunday, 09:00 a.m. (IST) on September 26, 2021
End of remote e-voting	Tuesday, 05:00 p.m. (IST) on September 28, 2021
Cut Off date	Wednesday, 22 nd September, 2021

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

- (i) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. As per recent SEBI directives, 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 **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:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 & 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The

	<p>system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> 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: https://eservices.nsd.com 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 & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider 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 & voting during the meeting
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<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 & 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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 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.
- 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 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:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • 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.

- 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 Voting only

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.
- 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 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 and to the Company at the email address viz; 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 Circular no. 02/2021 dated January 13, 2021, read over with its earlier Circulars 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/2021/11 dated 15 January, 2021 read over with its earlier 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 (“SEBI Listing Regulations”) read with the Circulars issued by MCA and SEBI, the 37th AGM of the Company is being held through VC / OAVM

- b. Since this AGM is being held pursuant to the 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, Attendance Slip and Route Map is not annexed to this Notice. 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 attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting
- d. The link for VC/OAVM to attend meeting 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 meeting. However, they will not be eligible to vote at the AGM
- f. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience
- g. Further 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. 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, 2021 (9.00 A.M. IST) to September 25, 2021 (5.00 P.M. IST) mentioning their name, demat account number/folio number, email id, mobile number at investor.redressal@paulmerchants.net. Those Members who have registered themselves as a 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, 2021 (9.00 A.M. IST) to September 25, 2021 (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. These queries will be replied to by the company suitably
- j. 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
- k. 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 provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at investor.redressal@paulmerchants.net or to the RTA at ramap@alankit.com
- 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. 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 or contact at 022- 23058738 and 022-23058542/43
- v. 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. 22-09-2021
- vi. 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 Thursday, September 30, 2021 at 2.00 PM at Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022.
- vii. 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.
- viii. The Scrutinizer's decision on the validity of the vote shall be final and binding.
- ix. The result declared along with the Scrutinizer's report shall be placed on the website of the Company (www.paulmerchants.net) and on the website of CDSL (www.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.
- x. 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.

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 or call on 022-23058542/43. You may also contact Mr. Hardam Singh, Company Secretary cum Compliance Officer of the Company at investor.redressal@paulmerchants.net or at 0172-5041760 or Fax 0172-5041713 or at PML House, SCO 829-830, Sector 22-A, Chandigarh - 160022.

(25) **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. 22-09-2021 are requested to view the Annual Report of the Company on the website of the Company at www.paulmerchants.net or on the website of CDSL (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, 1E/13, Jhandewalan Extn. New Delhi- 110055 (INDIA) Ph No. : 011-42541959 email id ramap@alankit.com or Company at mail id 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. For physical shareholders, the same process as outlined be followed.

- (26) In this Annual Report, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been referred to as "Listing Regulations" and Companies Act, 2013 has been referred to as "Act"

Place: Chandigarh
Date: August 12, 2021

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

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the appointment of Mr. Inder Sain Negi (DIN 08947230) as an Independent Director, for a term commencing from 12-11-2020 and ending on 31-10-2025, not liable to retire by rotation as explained in the Resolution set out at item no. 5. Mr. Inder Sain Negi 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. 12-11-2020 and he holds office up to the ensuing Annual General Meeting. The Company has, in terms of Section 160(1) of the Act received in writing a notice from him, proposing his candidature for the office of Director. The Board, based upon recommendation of Nomination and Remuneration Committee, considers that given his background, experience and qualifications, the induction of Mr. Inder Sain Negi as a Non-Executive Independent Director of the Company would be beneficial to the Company.

In the opinion of the Board, he fulfils the conditions specified in the Companies Act and Listing Regulations for appointment as a Non Executive Independent Director and is independent of the management of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Mr. Inder Sain Negi has qualifications like B.A. (Honours) and M.A. to his credit. He has worked with Reserve Bank of India for more than 35 years & retired as Regional Director in November, 2016. While working with RBI, he served in key areas such as Banking Supervision, Foreign Exchange Management, Administration and Vigilance. Further, Mr. Inder Sain Negi shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013. The Company has received following declarations from him in writing:-

- a. Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, signifying his consent to act as Independent Director of the Company.
- b. A declaration that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16(1) (b) and 25 of the Listing Regulations
- c. A declaration in Form DIR-8 in terms of Section 164 of the Companies Act, 2013 read over with Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 that he is not disqualified from being appointed as Director
- d. Declaration in FORM-B pursuant to Regulation 7 (1) (b) read with Regulation 6 (2) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- e. Declaration that he conforms to the Fit and proper Criteria pursuant to RBI guidelines
- f. Interest in other entities in the prescribed form MBP-1

As on date, Mr. Inder Sain Negi holds Nil Equity Shares in the Company and does not hold any Stock Options. He does not hold any shares in the Company as a Beneficial Owner.

A copy of the draft letter for appointment of Mr. Inder Sain Negi, setting out the terms and conditions of appointment is available for inspection at the Registered Office and Corporate Office of the Company during the normal business hours on any working day except Sundays and Holidays and will also be kept open for inspection during AGM till the conclusion of the AGM.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Inder Sain Negi is appointed as a Non Executive Independent Director of the Company by the Shareholders for a term commencing from 12-11-2020 and ending on 31-10-2025.

The Board recommends the Special Resolution at Item No. 5 of this Notice for approval of the Members.

The appointee Director Mr. Inder Sain Negi should be treated as interested in this resolution to the extent of benefits accruing to him out of this resolution. 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.

The information as required under para 1.2.5 of Secretarial Standard -2 and Regulation 36(3) of the Listing Regulations is given under **Annexure-N4** at the end of this Explanatory Statement. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

ITEM 6

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the appointment of Mr. Jeewan Lal Negi (DIN 09166359) as a Non Executive Independent Director, for a term commencing from 08-06-2021 and ending on 31-03-2026, not liable to retire by rotation as explained in the Resolution set out at item no. 6. Mr. Jeewan Lal Negi 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 and he holds office up to the ensuing Annual General Meeting. The Company has, in terms of Section 160(1) of the Act received in writing a notice from him, proposing his candidature for the office of Director. The Board, based upon recommendation of Nomination and Remuneration Committee, considers that given his background, experience and qualifications, the induction of Mr. Jeewan Lal Negi as a Non-Executive Independent Director of the Company would be beneficial to the Company.

In the opinion of the Board, he fulfils the conditions specified in the Companies Act and Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Mr. Jeewan Lal Negi has qualifications like B.Com (Hons), M.Com., PGDM(MBA), MA (Economics) and CAIIB to his credit. He has over 35 years of diverse experience while working with Reserve Bank of India. He had worked in Five Regional Offices of Reserve Bank of India along with Central Office Departments and had also worked on secondment with the Central Bureau of Investigation as Joint Director. During his career he had worked in various capacities covering the areas of banking supervision, supervision of Urban Cooperative Banks, currency management, clearing centre, banking departments, personnel department, corporate services, Banking Ombudsman. Further, Mr. Jeewan Lal Negi shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013. The Company has received following declarations from him in writing:-

- a. Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, signifying his consent to act as Independent Director of the Company.
- b. A declaration that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(1) (b) and 25 of the Listing Regulations
- c. A declaration in Form DIR-8 in terms of Section 164 of the Companies Act, 2013 read over with Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 that he is not disqualified from being appointed as Director
- d. Declaration in FORM-B pursuant to Regulation 7 (1) (b) read with Regulation 6 (2) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- e. Declaration that he conforms to the Fit and proper Criteria pursuant to RBI guidelines
- f. Interest in other entities in the prescribed form MBP-1

As on date, Mr. Jeewan Lal Negi holds Nil Equity Shares in the Company and does not hold any Stock Options. He does not hold any shares in the Company as a Beneficial Owner.

A copy of the draft letter for appointment of Mr. Jeewan Lal Negi setting out the terms and conditions of appointment is available for inspection at the Registered Office and Corporate Office of the Company during the normal business hours on any working day except Sundays and Holidays and will also be kept open for inspection during AGM till the conclusion of the AGM.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Jeewan Lal Negi is appointed as a Non Executive Independent Director of the Company by the Shareholders for a term commencing from 08-06-2021 and ending on 31-03-2026.

The Board recommends the Special Resolution at Item No. 6 of this Notice for approval of the Members.

The appointee Director Mr. Jeewan Lal Negi should be treated as interested in this resolution to the extent of benefits accruing to him out of this resolution. 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.

The information as required under para 1.2.5 of Secretarial Standard -2 and Regulation 36(3) of the Listing Regulations, 2015 is given under **Annexure-N5** at the end of this Explanatory Statement. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

ITEM NO. 7

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the appointment of Mr. Sat Paul Bansal (DIN 00077499) as a Non Executive Non Independent Director and Chairman of the Board and also to act as Chairman of the Company within the applicable provisions of the Companies Act, 2013, Rules framed thereunder and Listing Regulations, liable to retire by rotation as explained in the Resolution set out at item no. 7. Mr. Sat Paul Bansal was appointed as an Additional Director and Chairman of the Board by the Board of Directors of the Company w.e.f. 08-06-2021 and he holds office up to the ensuing Annual General Meeting. The Company has, in terms of Section 160(1) of the Companies Act, 2013 (Act) received in writing a notice from him, proposing his candidature for the office of Director. The Board, based upon recommendation of Nomination and Remuneration Committee, considers that given his background, qualification, experience and his past contribution to the growth and success of the Company in his previous tenure with the Company from 27-09-1990 till 31-08-2020, the induction of Mr. Sat Paul Bansal as a Non-Executive Non Independent Director of the Company and Chairman of the Board would be beneficial to the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time.

As per Regulation 17 (1A) of the Listing Regulations, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of Seventy Five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. Mr. Sat Paul Bansal will turn 75 years of age on 22-07-2022. The justification for his continuance at that time as a Non Executive Director, in spite of being more than 75 years of age, is his physical fitness, vast knowledge, qualification and experience. In his previous tenure with the Company from 27-09-1990 till 31-08-2020 when he resigned from his position of Chairman and Managing Director, under his leadership the Company was declared as Asia's Most Trusted Financial Services Company in 2018 by the International Brand Consulting Corporation, USA. He was also awarded as Achievers of the North by the Times Group in 2016. He played an exceptional role in the governance of the Company. His candidature has been evaluated by the Nomination and Remuneration Committee as well as by the Board. Keeping in view his vast experience, qualifications and knowledge, the Board is of the opinion that he will bring excellent value addition to the decision making process of the Board and his appointment and continuance as a Non Executive Director and Chairman of the Board even when he turns 75, is justified. In terms of Regulation 17 (1A) of the Listing Regulations, his continuation as Non Executive Director beyond 75 years of age, requires the approval of members by way of a special resolution.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, he is fully fit to continue as a Non Executive Director even beyond his age of 75 years. Further, Mr. Sat Paul Bansal shall be liable to retire by rotation. The Company has received following declarations from him in writing:-

- a. Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, signifying his consent to act as Director of the Company.
- b. A declaration in Form DIR-8 in terms of Section 164 of the Companies Act, 2013 read over with Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 that he is not disqualified from being appointed as Director
- c. Declaration in FORM-B pursuant to Regulation 7 (1) (b) read with Regulation 6 (2) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- d. Declaration that he conforms to the Fit and proper Criteria pursuant to RBI guidelines
- e. Interest in other entities in the prescribed form MBP-1

As on date, Mr. Sat Paul Bansal holds 5240 (0.51%) Equity Shares in the Company and does not hold any Stock Options. He does not hold any shares in the Company as a Beneficial Owner.

A copy of the draft letter for appointment of Mr. Sat Paul Bansal setting out the terms and conditions of appointment is available for inspection at the Registered Office and Corporate Office of the Company during the normal business hours on any working day except Sundays and Holidays and will also be kept open for inspection at the venue of the AGM till the conclusion of the AGM.

In compliance with the provisions of Section 152 and other applicable provisions of the Act and Regulation 17 (1A) of Listing Regulations and other applicable Regulations, the appointment of Mr. Sat Paul Bansal as Non Executive Director and Chairman of the Board is now being placed before the Members for their approval by way of Special Resolution.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Sat Paul Bansal is appointed as a Non Executive Non Independent Director and Chairman of the Board by the Shareholders. The Board recommends the Special Resolution at Item No. 7 of the Notice for approval of the Members.

The appointee Director Mr. Sat Paul Bansal may be treated as interested in this resolution, to the extent of the benefits accruing to him out of this resolution. Further, Mr. Rajneesh Bansal, Mrs. Sarita Rani Bansal and Mr. Sandeep Bansal, Directors of the Company should also be treated as interested in this resolution as immediate relatives of Mr. Sat Paul Bansal and also as members of the same family. No other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The information as required under para 1.2.5 of Secretarial Standard -2 and Regulation 36(3) of the Listing Regulations, 2015 is given under **Annexure-N6** at the end of this Explanatory Statement. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

ITEM NO. 8

The Articles of Association ("AOA") of the Company as presently in force have reference to the old Listing Agreement at many places and further, several regulations / articles of the existing AOA of the Company require alteration or deletion in the changed circumstances with a view to provide more clarity. Therefore, it is considered expedient to wholly replace the existing AOA by a new set of Articles. The draft of new set of AOA to be substituted in place of the existing AOA, would be available for inspection by the members at the Registered Office and Corporate Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting. The draft of new set of AOA is also annexed with the Notice of this Annual General Meeting as **Annexure-N1**.

The Resolution at Item No. 8 of the Notice is set out as a Special Resolution for approval by the members in terms of Section 14 of the Companies Act, 2013. The Board of Directors recommend passing of the Special Resolution by the Members as contained in the Notice at item no. 8. No Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

ITEM NO. 9

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed. Further, as per the provisions of Section 20 of the Companies Act, 2013, a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, 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 is placed before the Members for their approval. The Board of Directors recommend passing of the Special Resolution as contained in the Notice at item no. 9. No Director/Key Managerial Personnel of the Company/their relatives

are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice, except to the extent of their shareholding in the Company.

Place: Chandigarh
Date: August 12, 2021

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

(THE COMPANIES ACT, 2013)

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

PAUL MERCHANTS LIMITED

Interpretation

I. (1) In these regulations -

- (a) "the Act" means the Companies Act, 2013,
- (b) "the seal" means the common seal of the company.
- (c) "Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company.

Share capital and variation of rights

- II. 1 Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at discount and at such time as they may from time to time think fit.
- 2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,
 - (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
 - (c) Shares directly in his demat account at his option
- (ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary.

Provided that the common seal on the Certificates shall be affixed in the presence of the persons required to sign the certificate.

- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Regulation shall be issued on payment of twenty rupees for each certificate.
(ii) The provisions of Regulation (2) and (3) shall mutatis mutandis apply to debentures of the company.
- 4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub section (6) of section 40.
(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- 6. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of threefourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- 7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
- 8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

- 9. (i) The company shall have a first and paramount lien—
 - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:
Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made—
 - (i) unless a sum in respect of which the lien exists is presently payable; or
 - (ii) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11.
 - (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
 - (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
 - (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12.
 - (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable
 - (iii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale

Calls on shares

13.
 - (i) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one - fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
 - (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
 - (iii) A call may be revoked or postponed at the discretion of the Board.
14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16.
 - (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
 - (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
17.
 - (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of Issue or such sum becomes payable.
 - (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(iii) Any amount paid-up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared,

18. The Board—

- (i) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve percent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

19. (i) The company shall use a common form of transfer. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

20. The Board or the delegated Authority may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - (b) any transfer of shares on which the company has a lien.

21. The Board or the delegated Authority may decline to recognise any instrument of transfer unless—
- (a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
 - (b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) The instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board or the delegated Authority and subject as hereinafter provided, elect, either—
- a. to be registered himself as holder of the share; or
 - b. to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board or the delegated Authority shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board or the delegated Authority may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board or the delegated Authority may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall—
- (i) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share.
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the

share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

35. Subject to the provisions of Section 61 of the Act, the Company may, by ordinary resolution,
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination;
 - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

36. Where shares are converted into stock,—

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

Capitalisation of profits

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve—
- a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in the Act and these Articles, either in or towards
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

- (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid - up, to and amongst such members in the proportions aforesaid;
- (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).
- (d) A securities premium account, Free Reserves (except reserves created by revaluation of assets) and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares, subject to Section 63 of the Act.
- (e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- a. make all appropriations and applications of the undivided profits resolved to be capitalised there by, and all allotments and issues of fully paid shares if any; and
 - b. generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

Dematerialization of Securities

41. For the purpose of this Regulation:
- i) “Beneficial owner” means a person whose name is recorded as such with a depository.
 - ii) “Depository Act” means the Depository Act, 1996 and any statutory modification or re-enactment there of for the time being in force.
 - iii) “Depository” means a Company formed and registered under the Companies Act 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992.
 - iv) “Security” or Securities means such security as may be specified by the Securities and Exchange Board of India from time to time.
 - v) “Member” means the duly registered holder from time to time of the shares of the company and includes every person whose name is entered as a beneficial owner in the records of the depository.
42. (i) Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act.
- (ii) Every person subscribing to the securities offered by the company shall have the option to receive the security certificate or hold the securities with a depository. Such a person who is beneficial owner of the securities can at any time opt out of a depository if permitted by the law, in respect of any security in the manner provided by the Depositories Act and the Company shall in the manner & within the time prescribed, issue to the beneficial owner the required certificate of securities. If a person opts to hold his security with the depository the company shall intimate such depository the details of allotment of the security and on receipt of such information the depository shall enter in its records, the name of the allottee as the beneficial owner of the security.

- (iii) All securities held by a depository shall be dematerialized and shall be in fungible form, subject to and in accordance with the provisions of Section 9 of the Depository Act. Nothing contrary contained in the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- (iv) Notwithstanding anything to the contrary contained in these articles and subject to and in accordance with the provisions of the Depositories Act, a depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (v) Save as otherwise provided as above the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (vi) Every person holding equity share capital of the company and whose name is entered as the beneficial owner in records of the depository shall be deemed to be a member of the company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
- (vii) Notwithstanding anything to the contrary contained in these articles and subject to and in accordance with the provisions of the Depositories Act where securities are held in a depository the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of discs or other mode of electronic data storage.
- (viii) Notwithstanding anything to the contrary contained in these articles and the Companies Act, 2013, provisions of these articles relating to transfer of securities shall not apply to transfer of securities effected by a transfer and/or transferee both or either of whom are entered as beneficial owners in the record of a depository.
- (ix) Notwithstanding anything contained in these articles where the securities are dealt with in a depository the company shall intimate the details of allotment of securities to depository immediately on allotment of such securities.
- (x) Nothing contained in these articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.
- (xi) The register and index of beneficial owners maintained by a depository under the Depositories Act shall also be deemed to be the Register and Index of Members and Register and Index of Debenture holders as the case may be for the purpose of these articles.
- (xii) Except as specifically provided in the Articles the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in depository so far as they apply to these shares held in physical form subject to the provisions of the Depository Act.

General meetings

- 43. All general meetings other than annual general meeting shall be called extraordinary general meeting.
- 44.
 - (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
 - (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same

Proceedings at general meetings

- 45.
 - (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
 - (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act.
- 46. The chairperson, if any, of the Board shall preside as chairperson at every general meeting of the company.
- 47. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the

meeting, or is unwilling to act as chairperson of the meeting, the directors shall elect one of themselves to be Chairperson of the meeting.

48. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of themselves to be Chairperson of the meeting.

Adjournment of meeting

49. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

50. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
(a) on a show of hands, every member present in person shall have one vote; and
(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
51. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once. The Company may appoint any Agency/Person to carry out the process prescribed under the Act.
52. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
53. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
55. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
(ii) Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

57. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a

notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.
59. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

60. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
61. (i) The Managing Director and Whole Time Directors may be paid such remuneration as may, from time to time, be determined by the Board and such remuneration as may be fixed by way of salary or commission or participation in profits or partly in one way or partly in another subject to the provisions of the Companies Act, 2013. The Company may pay remuneration to its other Directors in accordance with the provisions of the Act. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- (b) in connection with the business of the company.
- (iii) The Company may pay sitting fee to the Directors for attending the meetings of the Board and its Committee(s) subject to & in accordance with the provisions of the Act.
62. The Board may pay all expenses incurred in getting up and registering the company.
63. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
64. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
66. The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act. However, the Managing Director of the Company shall not be liable to retire by rotation.
67. Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.
68. The Board may, from time to time, and at any time and in compliance with provisions of the act and listing Regulations

constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit.

- (i) Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing Regulations.
- (ii) The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and listing Regulations.
- (iii) The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors.

- 69.
- (i) The Directors may from time to time, appoint one or more of their body to the office of the Managing Director for one or more of all of the divisions of the business carried on by the Company and to enter into agreement with him in such terms and conditions as they may deem fit.
 - (ii) The Board may designate any director of the Company as Chairman of the Board. The Managing Director or Chief Executive Officer of the Company may also, if the Board so decides, be appointed as Chairperson of the Company, subject to compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.
 - (iii) Subject to the provisions of section 149, 161 & other applicable Sections of the Act, Board of Directors of a company may, appoint a person, not being a person holding any alternate directorship for any other director in the company, to act as an alternate director for a director during his absence for a period of not less than three months from India:
Provided that no person shall be appointed as an alternate director for an independent director.
Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India:
 - (iv) Subject to the provisions of section 149, 161 & other applicable Sections of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Act.
Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.
 - (v) Subject to the provisions of section 149, 161 & other applicable Sections of the Act, Board of Directors of a company may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement. Further, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board

Proceedings of the Board

- 70.
- (i) The Board of directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
 - (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
 - (iii) The quorum necessary for the transaction, of the business of the Board meeting subject to Section 174 of the

Act, shall be one third of the total strength or at least two whichever is higher. Further, the higher quorum as prescribed in the Listing Regulations shall automatically become applicable to the Company. The participation of the directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum.

71. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
(ii) In case of an equality of votes, the chairperson of the Board, if any, shall have a second or casting vote.
72. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
73. (i) The Board may elect a chairperson of its meetings and may determine the period for which he is to hold office.
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of them to be Chairperson of the meeting.
74. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
75. (i) A committee may elect a Chairperson of its meetings.
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of them to be Chairperson of the meeting.
76. (i) A committee may meet and adjourn as it thinks fit.
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
77. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
78. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
79. The Board may also pass a Resolution by way of circulation subject to & in accordance with the relevant provisions of the Act.
80. The Board may take any step, do any thing and cause anything to be done by the Company so as to give effect to any provision of Listing Regulations, Companies Act, SEBI Guidelines, any Statute or any Statutory Rule, Regulation, Guidelines or a Court Order.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

81. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
 - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
82. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

83. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director or such other person as the Board may appoint for the purpose; and the said director or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in his/her presence.

Borrowing Powers

84. Subject to section 73, 179 and 180 of the Act and Regulations made there under and Directions issued by the RBI the directors may, from time to time, raise or borrow any sums of money for and on behalf of the Company from the member or other persons, companies or banks or they may themselves advance money to the company on such interest as may be approved by the Directors subject to compliance with the requisite Provisions of the Act.
85. The Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they deem fit and in particular by the issue of bonds or debentures or by pledge, mortgage, charge or any other security on all or any properties of the Company (both present and future) including its uncalled capital for the time Dividends and Reserve

Operation Of Bank Accounts

86. The Directors shall have the power to open bank accounts in the name of the Company, to sign cheques on behalf of the Company, to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, huddies and bills or may authorise any other person or persons to exercise all said powers.

Dividends And Reserve

87. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
88. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
89. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for

equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

90. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
91. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
92. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant or through any other mode permitted under the Act sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
93. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
94. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
95. No dividend shall bear interest against the company.

Accounts

96. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors, subject to compliance with applicable provisions of the Act.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Reconstruction

97. On any sale of the undertaking of the company, the Directors or the liquidators on construction, winding up may, if authorized by a special resolution accept fully paid or partly paid up shares; debentures or securities of any other company whether incorporated in India or not other than existing or to be formed for the purchase in whole or in part of the property of the Company and the Directors (if the profits of the Company permit, or the Liquidators (in a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realization or vest the same in trustees for them and any special resolution may provide for the distribution

or appropriation of the cash, shares or other securities, benefits or property otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bounded to accept and shall be bound by any valuation or distribution so authorized and waive all rights in relation thereto save only in case the company is proposed to be or is in the course of being wound up, such statutory rights if any under Section 494 of the Act as are incapable of being varied or excluded by these presents.

Inspection by Members

98. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the Members without charge. In the event such Member requires extracts of the same, the Company may charge a fee as may be fixed by the Board but not exceeding the limits prescribed under the Act or other applicable provisions of Law.

The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall be kept at the registered office of the Company; and shall be open to inspection by any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays. Any such member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any such minutes referred to above, provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

Secrecy

99. No member or other person (not being a Director) shall be entitled to enter upon the property of the company or to inspect or examine the company's premises or properties of the company without the permission of the Directors, or subject to these Articles to require discovery or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the members of the company to communicate.

Directors Responsibility

100. Subject to the provisions of the Companies Act, 2013 and rules framed thereunder, no Director, Managing Director/Whole time Director/Manager/CEO/CFO or the Secretary or any other officer of the company shall be liable for the Acts, Receipts, for or on behalf of the company or for insufficiency or deficiency of any security in or upon which any of the money of the company shall be invested or for any loss or damage arising from bankruptcy, insolvency or for losses due to disappearing/insolvency of any person with whom money, securities effects of the Company shall be invested or for any loss occasioned by error of judgment or oversight or for any other loss or damage or misfortune whatsoever or for any penalty/fine/costs by whatever name called, imposed by any Statutory/Regulatory/Judicial Authority on any such offer of the company, which happens on account of their execution of their official duties or in relation thereto including their past such acts and the Company shall defend such officers on its cost and shall indemnify the said officers of the Company of its assets, unless the same happens through their/his/her own dishonesty and/or willful negligence.

Winding up

101. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

102. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal. Further, subject to the provisions of the Act and these Articles, if any Director or any Officer of the Company becomes personally liable for the payment of any sum primarily due from the Company, such Director or the Officer as the case may be, may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company to indemnify the Director or the Officer of the Company in respect of such liability.

Over-riding effect

103. All those matters, which have not been expressly provided for in these Regulations, will be governed by the Provisions of the Act and Rules, Regulations framed thereunder and Listing Regulations, as amended from time to time. In case of any inconsistency between these Regulations and the provisions of the Act, Rules & Regulations framed thereunder and Listing Regulations, the provisions of Act, Rules & Regulations framed thereunder and Listing Regulations shall prevail and shall be deemed to be incorporated in these Regulations.

General Power

104. Wherever in the Act or in the Listing Regulations, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is authorised by its Articles, then in that case this Article authorises and empowers the Company to have such rights, privileges and/or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Regulation in these Articles, by following the prescribed process under the Act or the Listing Regulations.

S.No.	Name, Addresses Description & Occupation of each subscribers	Signature of Subscribers	Name Addresses description and Signatures of witnesses
1.	<p>Sukhwinder Lal Gupta S/o Shri B.R. Gupta 3/6 D.B. Gupta Road, New Delhi - 110 055 Occupation: Chartered Accountant</p>	Sd/-	<p>I hereby witness the signature of all subscribers Sd/- Krishna Kumar S/o Shri B.R. Gupta 3/6 D.B Gupta Road, Paharganj, New Delhi- 110 055</p>
2.	<p>Sarinder Sharma S/o Shri Sardari Lal 266, A.G.C.R. Colony Delhi - 110 092 Occupation: Service</p>	Sd/-	
3.	<p>Mahesh Kumar Sharda S/o Shri M.I. Sharda KD-9A, Ashok Vihar Phase I Delhi-110 052 Occupation: Service</p>	Sd/-	
4.	<p>Mahendra Kumar Sharma S/o Sh. M.L. Sharda KD-9A, Ashok Vihar, Phase-1 Delhi - 110 052 Occupation: Chartered Accountant</p>	Sd/-	
5.	<p>Lalit Kumar Mahana S/o Shri Raj Pal Mahana L-141, Laxman Puri Paharganj New Delhi-110 055 Occupation: Service</p>	Sd/-	
6.	<p>Kedar Nath Mehra S/o Shri L.D. Mehra F-5/11, Krishna Nagar, Delhi - 110 051 Occupation: Business</p>	Sd/-	
7.	<p>Ram Prasad Mandal S/o Shri Jitan Mandal Tamor Nagar New Delhi - 110 092 Occupation: Service</p>	Sd/-	

Place: New Delhi

Dated: 12-6-84

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 SECRETARIAL STANDARDS-2 INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED

Name of Director	Smt. Sarita Rani Bansal
Date of First (Original) Appointment on the Board:	31.01.2012
Date of Birth, Age	08.01.1948 , about 74 Years
Designation	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.	
Nature of Expertise in Specific Functional Area and experience:	
Smt. Sarita Rani Bansal is about 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.	
Terms and Conditions of Appointment or Re-appointment and Remuneration, if any:	
Term	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.
Remuneration last drawn, if applicable	NIL
Remuneration sought to be paid	NIL
Qualification	Graduate in Arts
List of Other Directorships:-	
1. DIVYA BROADCASTING NETWORK PRIVATE LIMITED	
2. PAUL E COMMERCE PRIVATE LIMITED	
3. PAUL SWIFT CREDIT PRIVATE LIMITED	
4. PML REALTORS PRIVATE LIMITED (Resigned w.e.f. 31.05.2021)	
5. PAUL OVERSEAS PRIVATE LIMITED	
6. PAUL EXCURSIONS PRIVATE LIMITED	
7. PML HOLIDAYS PRIVATE LIMITED	
8. PAUL INSTACRED PRIVATE LIMITED	
Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited
Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd	Member, Executive Committee of the Board as on 31.03.2021. Resigned from the membership of the Committee w.e.f. 08-06-2021.
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	NIL
Names of listed entities from which the person has resigned in the past three years	Nil.

Membership/Chairmanship of the Committees of listed entities from which the person has resigned in the past three years	Nil
Shareholding in the Company	Holding 345600 (33.62%) Equity shares in her name as on date of this report.
Shareholding in the Company as a Beneficial Owner	NIL
Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-	
<p>Smt. Sarita Rani Bansal is wife of Sh. Sat Paul Bansal, a Non Executive Non Independent Director of the Company, who at the moment is Additional Director and is proposed to be appointed as regular director of the Company in the ensuing AGM. She is mother of Two directors of the Company i.e. Sh. Rajneesh Bansal, Managing Director and Sh. Sandeep Bansal, Non Executive Non Independent Director of the Company. She is not related to any other Director, Manager or other Key Managerial Personnel of the Company.</p>	
No. of Meetings of Board attended during the FY 2020-21	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-N3

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

Name of Director	Sh. Sandeep Bansal
Date of First (Original) Appointment on the Board:	18.09.1993
Date of Birth, Age	25.12.1970 , about 51 Years
Designation	Director (Non Executive Non Independent)
Sh. Sandeep 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 of the Company.	
Nature of Expertise in Specific Functional Area and experience:	
Sh. Sandeep Bansal is about 51 years of age and has been associated with the Company for over 27 years and is serving as a Director of the Company since 1993 till date. He has good leadership skills, tact and initiative in conjunction with the Company's goals & objectives. While working with the Company as a Director, he has vital inputs in the areas of Marketing, Advertising & other business promotion activities of the Company.	
Terms and Conditions of Re-appointment and Remuneration: -	
Term	Sh. Sandeep Bansal, who is liable to retire by rotation is proposed to be re-appointed as a Non Executive Non Independent Director by the Shareholders of the Company in the ensuing Annual General Meeting. No term has been fixed for him.
Remuneration last drawn, if applicable	NIL
Remuneration sought to be paid	NIL
Qualification	Graduate in Arts
List of Other Directorships:-	
1. PAUL E COMMERCE PVT. LTD.	
2. DIVYA BROADCASTING NETWORK PRIVATE LIMITED	
3. PAUL ENERGY PROJECTS (PVT) LTD (Company struck off w.e.f. 13.07.2021)	
4. PAUL ENTERTAINMENTS PRIVATE LIMITED	
5. PAUL SWIFT CREDIT PRIVATE LIMITED	
6. FAST TIME CABLE NETWORK PRIVATE LIMITED (Resigned w.e.f. 07-06-2021)	
7. BBSM FILMS PRIVATE LIMITED	
8. NEWSCLIP MEDIA PRIVATE LIMITED	
9. STRIKEONE JOBS PRIVATE LIMITED	
10. PITAARA TALKIES PRIVATE LIMITED	
11. COLLECTIVE MEDIA VENTURES PRIVATE LIMITED	
12. ADB21 MEDIA PRIVATE LIMITED (Appointed w.e.f. 06.05.2021)	
13. BOSNA DIGITAL ENTERTAINMENT PRIVATE LIMITED (Appointed w.e.f. 29.05.2021)	
14. CHAUPAL GLOBAL PTE LIMITED, SINGAPORE (Appointed w.e.f. 26.03.2021)	
Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited
Chairmanship/Membership of the Committees	During the year under review, he was:-

of the Board of Directors of Paul Merchants Ltd	(1) Chairman of CSR Committee of the Company (2) Member of (1) CSR Committee (2) Executive Committee & (3) Nomination & Remuneration Committee of the Company. As on the date of this Report, he is not a member or Chairman of any Committee of the Company
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	NIL
Names of listed entities from which the person has resigned in the past three years	Nil
Membership/Chairmanship of the Committees of listed entities from which the person has resigned in the past three years	Nil
Shareholding in the Company	Holding NIL Equity shares in his name as on the date of this Report.
Shareholding in the Company as a Beneficial Owner	Nil
Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-	
Sh. Sandeep Bansal is son of Sh. Sat Paul Bansal and Smt. Sarita Rani Bansal, Non Executive Non Independent Directors of the Company. He is elder brother of Sh. Rajneesh Bansal, who is Managing Director of the Company. He is not related to any other Director, Manager or other Key Managerial Personnel of the Company.	
No. of Meetings of Board attended during the FY 2020-21	4

Justification for Appointment and Remuneration:-
Sh. Sandeep Bansal is a Non Executive Non Independent Director of the Company and has been associated with the Company for over 27 years and has been serving on the Board of the Company since 1993. He has good leadership skills, tact and initiative in conjunction with the Company's goals & objectives and lends vital inputs in the areas of Marketing, Advertising & other business promotion activities of the Company. Therefore, considering his experience, his re-appointment as Non Executive Non Independent Director 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. Sandeep Bansal had been carried by the Nomination and Remuneration Committee 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 and the Nomination and Remuneration Committee as well as Board of Directors of the Company were of the opinion that the re-appointment of Sh. Sandeep Bansal as Non executive Non Independent Director of the Company shall be in the best interests of the Company.

Annexure-N4

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

Name of Director	Mr. Inder Sain Negi
Date of First (Original) Appointment on the Board:	12.11.2020
Date of Birth, Age	25-11-1956, About 65 Years
Designation	Non Executive Independent Director
It is proposed to appoint Mr. Inder Sain Negi as Non Executive Independent Director of the Company w.e.f. 12-11-2020 for a term commencing from 12-11-2020 and ending on 31-10-2025, 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.	
Nature of Expertise in Specific Functional Area and experience:-	
Mr. Inder Sain Negi is about 65 years of age and having educational qualification of B.A. (Honours) and M.A. He had worked with the Reserve Bank of India (RBI) for more than 35 years & retired as Regional Director in November, 2016 from the RBI. While working with RBI, he had worked in various capacities covering the areas of RPCD (Rural Planning and Credit Department), ECD (Exchange Control Department), Administration, DNBS (Department of Non-Banking Supervision), DAPM (Department of Administration and Personnel Management), Central Vigilance Cell, UBD (Urban Banks Department) etc. He had undergone various Trainings during his employment with RBI such as Internal Auditing in Central Banks from Bank of England, Workshop for CEOs of UCBs from CAB, Pune, Course on Rural Development Banking from APRACA-CENTRAB – MANILA, PHILIPINES and Leadership for Organizational Excellence from National Productivity Council, Hyderabad (Gangtok) etc.	
Terms and Conditions of Appointment or Re-appointment and Remuneration, if any:	
Term	Mr. Inder Sain Negi is proposed to be appointed as Non Executive Independent Director of the Company by the Shareholders of the Company in the ensuing Annual General Meeting, for a term commencing from 12-11-2020 and ending on 31-10-2025. His office is not liable to retirement by rotation.
Remuneration last drawn, if applicable	He is paid sitting fees @ Rs. 15,000/- per meeting for attending meetings of the Board and Committees thereof, if he is member thereof, and reimbursement of actual travelling expenses, if any will be made to him for attending meetings of the Board and Committees thereof.
Remuneration sought to be paid	Same as above.
Qualification	B.A. (Honours) and M.A.
List of Other Directorships	NIL
Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited
Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd	Member of Nomination and Remuneration Committee w.e.f. 01-07-2021
Chairmanship/Membership of the Committees	NIL

of the Board of Directors of other Companies	
Names of listed entities from which the person has resigned in the past three years	Nil
Membership/Chairmanship of the Committees of listed entities from which the person has resigned in the past three years	Nil
Shareholding in the Company	NIL
Shareholding in the Company as a Beneficial Owner	Nil
The skills and capabilities required for the role	Ability to understand Financial Markets especially Forex Markets, Ability to understand Regulatory/Statutory framework applicable to the Company, Quick decision making, Understanding of Company's business verticals, Experience in developing policies and processes relating to corporate governance, Ability to understand Financial Statements
The manner in which the proposed person meets above mentioned requirements	Mr. Inder Sain Negi has worked with the Reserve Bank of India (RBI) for more than 35 years in various departments and has vast exposure to fields like Credit policies, Foreign Exchange, Administration and Personnel Management, Vigilance and Banking etc which will be advantageous to the Company. He retired as Regional Director with RBI. Considering his qualifications and having exposure to these fields, the Board of Directors are of the view that Mr. Inder Sain Negi is having the required skills and capabilities to discharge his duties as an Independent Director of the Company.
Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-	
Mr. Inder Sain Negi is not related to any Director, Manager or Key Managerial Personnel of the Company.	
No. of Meetings of Board attended during the FY 2020-21	1

Justification for Appointment and Remuneration:-

Mr. Inder Sain Negi is about 65 years of age and having educational qualification of B.A. (Honours) and M.A. He had worked with the Reserve Bank of India (RBI) for more than 35 years in various departments & retired as Regional Director in November, 2016 from the RBI. He has exposure to fields like Credit policies, Foreign Exchange, Administration and Personnel Management, Vigilance and Banking etc which will be advantageous to the Company. Therefore, considering his qualifications and experience, his appointment as Non Executive Independent Director of the Company and his sitting fee is justified. Nomination and Remuneration Committee of the Board has also approved his appointment.

Annexure-N5

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

Name of Director	Mr. Jeewan Lal Negi
Date of First (Original) Appointment on the Board:	08.06.2021
Date of Birth, Age	04-03-1961, about 61 Years
Designation	Non-Executive Independent Director
It is proposed to appoint Mr. Jeewan Lal Negi as Non-Executive Independent Director of the Company w.e.f. 08-06-2021 for a term commencing from 08-06-2021 and ending on 31-03-2026, as set out in the Special Resolution at Item no. 6 of the Notice and as explained in the Explanatory Statement to the said item.	
Nature of Expertise in Specific Functional Area and experience:-	
Mr. Jeewan Lal Negi is about 61 years of age and having educational qualification of Master of Commerce, MA (Economics), PGD in Management and CAIIB. He had worked with the Reserve Bank of India (RBI) along with Central Office Departments for more than 35 years & retired as Chief General Manager in March, 2021 from the RBI. While working with RBI, he had worked in various capacities covering the areas of banking supervision, supervision of Urban Co-operative Banks, Currency Management, Clearing Centre, Banking Departments, HRMD, Personnel Department, Corporate Services, Banking Ombudsman. He retired as Chief General Manager, Ombudsman, RBI, Chandigarh in March, 2021. He has also worked as Chief Technical Advisor during his secondment with the Central Bureau of Investigation in respect of major scams like Satyam, King Fisher, Zoom Developers, Coal gate, 2G & other important cases. He had undergone various training/refresher programmes offered by RBI covering Banking supervision, forensic auditing, leadership programmes and change management. He had been nominated to attend various International Training Programmes viz. Advance Management Programme with Foreign Leg at Paris, Berlin & Milan and programme on leadership and management changes by Asia-Pacific Rural & Agricultural Credit Association in Manila etc.	
Terms and Conditions of Appointment:	
Term	Mr. Jeewan Lal Negi is proposed to be appointed as Non-Executive Independent Director of the Company by the Shareholders of the Company in the ensuing Annual General Meeting, for a term commencing from 08-06-2021 and ending on 31-03-2026. His office is not liable to retirement by rotation.
Remuneration last drawn, applicable	He is paid sitting fees @ Rs. 15,000/- per meeting for attending meetings of the Board and Committees thereof, if he is a member thereof and reimbursement of actual travelling expenses, if any will be made to him for attending meetings of the Board and Committees thereof.
Remuneration sought to be paid	Same as above
Qualification	Master of Commerce, MA (Economics), PGD in Management and CAIIB
List of Other Directorships	NIL
Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited
Chairmanship/Membership of the Committees	Nil

of the Board of Directors of Paul Merchants Ltd	
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	NIL
Names of listed entities from which the person has resigned in the past three years	Nil
Membership/Chairmanship of the Committees of listed entities from which the person has resigned in the past three years	Nil
Shareholding in the Company	Nil
Shareholding in the Company as a Beneficial Owner	Nil
The skills and capabilities required for the role	Ability to understand Financial Markets especially Forex Markets, Ability to understand Regulatory/Statutory framework applicable to the Company, Quick decision making, Understanding of Company's business verticals, Experience in developing policies and processes relating to corporate governance, Ability to understand Financial Statements
The manner in which the proposed person meets above mentioned requirements	Mr. Jeewan Lal Negi has worked with the Reserve Bank of India (RBI) along with Central Office Departments for more than 35 years and has vast exposure to the fields like banking supervision, Foreign Exchange, Currency Management, Personnel Department, Corporate Services, Investigations and Advance Management etc. which will be advantageous to the Company. He retired as Chief General Manager from the RBI. Considering his qualifications and having exposure to these fields, the Board of Directors are of the view that Mr. Jeewan Lal Negi is having the required skills and capabilities to discharge his duties as an Independent Director of the Company.
Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-	
Mr. Jeewan Lal Negi is not related to any Director, Manager or Key Managerial Personnel of the Company.	
No. of Meetings of Board attended during the FY 2020-21	Nil

Justification for Appointment and Remuneration:-

Mr. Jeewan Lal Negi is about 61 years of age and having educational qualification of Master of Commerce, MA (Economics), PGD in Management and CAIIB. He had worked with the Reserve Bank of India (RBI) along with Central Office Departments for more than 35 years in various departments & retired as Chief General Manager in March, 2021 from the RBI. He has vast exposure to the fields like banking supervision, Foreign Exchange, Currency Management, Personnel Department, Corporate Services, Investigations and Advance Management etc. which will be advantageous to the Company. Therefore, considering his qualifications and experience, his appointment as Non Executive Independent Director of the Company and his sitting fee is justified. Nomination and Remuneration Committee of the Board has also approved his appointment.

Annexure-N6

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

Name of Director	Mr. Sat Paul Bansal
Date of First (Original) Appointment on the Board:	08.06.2021
Date of Birth, Age	22-07-1947, 74 Years
Designation	Director (Non Executive Non Independent Category)
It is proposed to appoint Mr. Sat Paul Bansal as Non Executive Non Independent Director of the Company and Chairman of the Board w.e.f. 08-06-2021, as set out in the Special Resolution at Item no. 7 of the Notice and as explained in the Explanatory Statement to the said item.	
Nature of Expertise in Specific Functional Area and experience:-	
Mr. Sat Paul Bansal is 74 years of age and a Graduate in Arts and during his previous tenure, was associated with Paul Merchants Limited for almost 30 years. He has overall experience of around 51 years which covers almost every facet of business. He was a Promoter Director as well as Chairman Cum Managing Director of the Company in his previous tenure with the Company and had spearheaded all the activities of the Company before he resigned from his position w.e.f. 31.08.2020. He has an experience of effectively leading the formulation of strategy, corporate Policy, Corporate objectives and decision-making process of Board.	
Terms and Conditions of Appointment or Re-appointment and Remuneration, if any: -	
Term	Mr. Sat Paul Bansal is proposed to be appointed as Non Executive Non Independent Director of the Company and Chairman of the Board, by the Shareholders of the Company in the ensuing Annual General Meeting. His office is liable to retirement by rotation.
Remuneration last drawn, if applicable	Before his resignation from the position of Chairman Cum Managing Director w.e.f. 31.08.2020, he was drawing remuneration @ Rs.12,00,000/- (Rupees Twelve Lakhs Only) per month + yearly Commission upto 2% of the Net Profits of the Company. He was also paid the last installment of One Time Special Incentive, during the year under review.
Remuneration sought to be paid	Nil
Qualification	Graduate in Arts
List of Other Directorships: -	
1	Paul Overseas Pvt. Ltd.
2	Paul Merchants Finance (P) Ltd
3	Paul Excursions Pvt. Ltd.
4	PML Realtors Pvt. Ltd.
5	PML Holidays Pvt. Ltd.
6	Horizon Remit Bhd. Sdn., Malaysia (resignation submitted on 23-09-2020, which is pending subject to regulatory approvals in Malaysia)
7	Namsat Financial Services Private Limited (Under the process of strike Off)

Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited
Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd	<ul style="list-style-type: none"> a. Member of Stakeholders Relationship Committee w.e.f. 01-07-2021 b. Chairman of Corporate Social Responsibility Committee w.e.f. 01-07-2021 c. Chairman of Executive Committee of the Board w.e.f. 01-07-2021
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	NIL
Shareholding in the Company	5240 (0.51%) Equity Shares as on the date of this report
Shareholding in the Company as a Beneficial Owner	Nil
Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-	
<p>Mr. Sat Paul Bansal is husband of Mrs. Sarita Rani Bansal, who is a Non Executive Non Independent Director of the Company. He is father of Mr. Rajneesh Bansal, who is the Managing Director and Mr. Sandeep Bansal, who is a Non Executive Non Independent Director of the Company. He is not related to any other Director, Manager or other Key Managerial Personnel of the Company.</p>	
No. of Meetings of Board attended during the FY 2020-21	2

Justification for Appointment and Remuneration:-

Mr. Sat Paul Bansal is 74 years of age and a Graduate in Arts and during his previous tenure with the Company, was associated for almost 30 years. He has overall experience of around 51 years which covers almost every facet of business. He was a Promoter Director as well as Chairman Cum Managing Director of the Company in his previous tenure with the Company and had spearheaded all the activities of the Company. He had effectively led the formulation of strategy, corporate Policy, Corporate objectives and decision-making process of the Board before he resigned from the position of Chairman Cum Managing Director w.e.f. 31.08.2020. Therefore, considering his qualifications and past experience with the Company, his appointment as Non Executive Non Independent Director of the Company and Chairman of the Board and Chairman of the Company is justified. Nomination and Remuneration Committee of the Board has also approved his appointment.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting before you their 37th Annual Report together with the Audited Financial Statements of the Company for the Financial year ended 31st March, 2021.

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:-

PARTICULARS	2020-21 (Amount in Rs.)	2019-20 (Amount in Rs.)
Gross Income	29,83,62,46,925	53,71,17,02,593
Profit Before Interest and Depreciation	21,32,27,087	20,80,08,609
Interest	6,61,145	13,12,622
Profit after Interest before Depreciation	21,25,65,942	20,66,95,987
Provision for Depreciation	2,22,77,177	2,81,79,618
Exceptional Items	3,04,72,125	1,29,17,116
Net Profit Before Tax	15,98,16,640	16,55,99,253
Provision for Tax	3,20,26,515	3,41,79,287
Deferred Tax	10,17,012	1,24,67,220
Net Profit After Tax	12,67,73,112	11,89,52,746
Other Comprehensive Income/(Loss) (net of tax)	6,47,428	-18,21,453
Total Comprehensive Income (net of tax) (Transferred to Reserves and Surplus)	12,74,20,545	11,71,31,293
Balance of Surplus brought forward	3,89,91,24,380	3,78,40,49,087
Reserves and Surplus	4,02,65,44,920	3,89,91,24,380
Proposed Dividend on Equity Shares	Nil	Nil. Interim Dividend of Rs 20.56 Lakhs (Rs. 2/- per share) paid during the year was proposed to be confirmed as Final by the shareholders.

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. 2955.08 Crores. In Tours & Travel Segment, Turnover from Hotel Bookings & Packages stood at Rs. 9.15 Lakhs and Revenue from other activities in the said segment stood at Rs. 48.59 Lakhs. Gross revenue from International Money Transfer stood at Rs. 43 Lakhs. Other operating revenues stood at Rs. 5.41 crores. The Profit before tax stood at Rs. 15.98 Crores and Profit after tax stood at Rs.12.68 crores after adjusting for deferred Tax. For further details, kindly refer to the Financial Statements, Management Discussion & Analysis Report annexed as **Annexure D-3** and Corporate Governance Report annexed as **Annexure D-9**, forming part of this report.

COVID-19

In the month of March, 2020, due to the announcement of Lockdown/Curfew in various States/Union Territories by the State/Union Government(s) in order to prevent and contain the spread of Covid-19 (Corona Virus) and keeping in view the safety and well being of the employees, the Company Paul Merchants Limited and its Wholly Owned Subsidiary Company Paul Merchants Finance Private Limited ('PMFPL') had temporarily closed its Registered Office and Branches across India w.e.f. 23rd March, 2020. However the Company managed to keep its treasury, accounts and back office teams operational due to work from home arrangements and some part of Gold loan operations was also sustained by the Wholly Owned Subsidiary. The spread of covid-19 and consequent closure of branches had adversely affected the Company's top line as well as bottom line. At that time, the Company was left with only 20% of Forex business and Travel business was almost NIL. However, in accordance with the Guidelines/ Compliance norms issued/ suggested by the Central Government, State Governments and local authorities from time to time, the Company Paul Merchants Limited and its Wholly Owned Subsidiary Company Paul Merchants Finance Private Limited gradually started opening its branches in various states and as of July, 2020 full operations had been started. In terms of Regulation 30 of Listing Regulations, the Company duly filed its disclosures relating to disruption in the operations due to COVID vide its letter dated March 24, 2020, Letter dated May 12, 2020, Letter dated May 26, 2020, Letter dated June 24, 2020 and Letter dated July 10, 2020 with BSE Ltd.

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 2020-21, 4 (Four) Board Meetings were held and 1 (One) Independent Directors meeting was held on 11-02-2021. The dates on which the Board Meetings were held are 25-06-2020, 18-08-2020, 12-11-2020 and 11-02-2021. 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 36th Annual General Meeting held on 29th 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 2020-21.

(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 2020-21 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 2020-21 which call for any explanation from the Board of Directors.

Further, there was one material unlisted subsidiary of the Company M/s Paul Merchants Finance (Pvt) Limited during the Financial Year 2020-21 under review. As such, Secretarial Audit Report of the said material unlisted subsidiary has 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 2020-21 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 2020-21 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 and 38 to the Financial Statements for further details.

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

With reference to Section 134(3)(h) of the Act read over with Rule 8(2) of the Companies (Accounts) Rules, 2014, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year were on an arm's length basis. In the opinion of the Board, these transactions 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. The details of these transactions is given in Form AOC-2, annexed as **Annexure D-5**, which forms part of this

report. Pursuant to Regulation 23(9) of the Listing Regulations, your Company has filed the reports on related party transactions with the Stock Exchange duly on time.

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.

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.

During the year under review, Ms Sonali Bansal, who is daughter of Mr. Sandeep Bansal, Non Executive Non Independent Director of the Company, was appointed as Business Head (Digital Lending) in the Wholly Owned Subsidiary of the Company i.e. Paul Merchants Finance (P) Ltd. w.e.f. 01.06.2020 on an annual remuneration of Rs. 6,32,000/- subject to approval of the Board of Directors of Paul Merchants Ltd. She will be given annual increments by Paul Merchants Finance (P) Ltd in her remuneration based upon her performance and the responsibilities to be given to her in future. Her appointment in the Wholly Owned Subsidiary was approved by the Board of Directors of Paul Merchants Ltd in their meeting held on 25-06-2020 and by the Audit Committee of the Board in its meeting held on 24-06-2020. She is a Graduate with major in Maths and Economics from Wellesley College, USA and considering her qualification and the profile to be handled by her, the Board of Directors is of the opinion that her appointment in the Wholly Owned Subsidiary of the Company is justified.

Further, Mrs Sarita Rani Bansal, who is a Director of the Company and is related to Mr. Sat Paul Bansal, Mr Sandeep Bansal and Mr Rajneesh Bansal, Directors of the Company, has been appointed as Head (Administration) in the Wholly Owned Subsidiary of the Company i.e. Paul Merchants Finance (P) Ltd w.e.f. 01.06.2021 on a consolidated remuneration of Rs. 1.5 Lakh per month subject to approval of the Board of Directors of Paul Merchants Ltd.. She will be given annual increments by Paul Merchants Finance (P) Ltd in her remuneration based upon her performance and the responsibilities to be given to her in future. Her appointment in the Wholly Owned Subsidiary was approved by the Board of Directors of Paul Merchants Ltd in their meeting held on 08-06-2021 and by the Audit Committee of the Board in its meeting held on 07-06-2021. She is a Graduate in Arts and while working with Paul Merchants Ltd as Director, she has been lending useful inputs in the area of Human Resource Management and Administration of the Office Affairs of the Company. As such, considering her vast experience and the profile to be handled by her, the Board of Directors is of the opinion her appointment in the Wholly Owned Subsidiary of the Company is justified.

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/2021/08/Related-Party-Transactions-Policy-12-08-2021.pdf>

RESERVES:-

Entire amount of Net Profit of Rs. 12,67,73,112/- and Other Comprehensive income Rs. 6,47,428/- 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.

MATERIAL CHANGES AND COMMITMENTS

The onset of COVID-19 and its impact has been discussed at the beginning of this report under the heading "COVID19". There are no other material changes or commitments, effecting the Financial position of the Company happening between the end of the Financial Year 2020-21, 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 comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically as per the Risk Management Policy of the Company. 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 and Risk management plan 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:-

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, 2021:-

1	Sh. Sandeep 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

The Board reconstituted the CSR Committee w.e.f. 01.07.2021 as below:-

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 details about the policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year in the form of CSR Policy is also available on the website of the Company <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2021/06/CSR-Policy.pdf>. 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 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.

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 08-06-2021 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 11-02-2021 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

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

The Directors express their satisfaction over the evaluation process.

CHANGE IN THE NATURE OF COMPANY'S BUSINESS

There is no change in the nature of Company's business, 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**

During the year under review, Mr. Sat Paul Bansal (DIN 00077499) had resigned from the post of Chairman cum Managing Director of the Company w.e.f. 31.08.2020.

Sh. Dharam Pal Sharma (DIN 07284332), who was liable to retire by rotation, was re-appointed as Director by the Shareholders in their Annual General Meeting held on 29-09-2020. He was also re-appointed as Designated Whole Time Director of the Company w.e.f. 01-04-2020 by the Shareholders in their Annual General Meeting held on 29-09-2020.

Sh Rajneesh Bansal (DIN 00077230), who was liable to retire by rotation, was re-appointed as Director by the Shareholders in their Annual General Meeting held on 29-09-2020. He was also re-appointed 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 by the Shareholders in their Annual General Meeting held on 29-09-2020.

Mr. Inder Sain Negi (DIN 08947230) 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. 12-11-2020 and he holds office up to the ensuing Annual General Meeting.

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 Sandeep Bansal (DIN 00094391), Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Further, the following changes in the Directors and Key Managerial Personnel of the Company took place after the end of the Financial Year 2020-21:-

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 and he holds office up to the ensuing Annual General Meeting.

Mr. Sat Paul Bansal (DIN 00077499) was appointed as an Additional Director and Chairman of the Board (Non Executive Non Independent Director) by the Board of Directors of the Company w.e.f 08-06-2021 and he holds office up to the ensuing Annual General Meeting.

Further details as to the Directors proposed to be appointed in the ensuing Annual General Meeting of the Company are given in the Explanatory Statement to the item no. 5,6 and 7 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 31.03.2021 are as follows:

Sh. Rajneesh Bansal	Managing Director
Smt Bhupinder Kaur	Chief Financial Officer
Sh. Hardam Singh	Company Secretary

During the year under review, Mr. Sat Paul Bansal (DIN 00077499) had resigned from the position of Chairman cum Managing Director and Key Managerial Personnel (KMP) of the Company w.e.f. 31-08-2020 and in his place, Sh Rajneesh Bansal (DIN 00077230) had been appointed as the Managing Director and Key Managerial Personnel of the Company w.e.f. 01-09-2020.

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)(iii) OF THE COMPANIES (ACCOUNTS) RULES, 2014:-

Mr. Inder Sain Negi (DIN 08947230) 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. 12-11-2020 during the year under review. Further, 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 Directors 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 Directors, they are 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 their 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:-

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

The Company has following two Subsidiaries:-

- a. Paul Merchants Finance (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.

During the year under review the Company has become partner in the LLP named Paul Tech Park LLP. The Company holds 50% share in the said LLP as on 31st March, 2021 and the other partner

in the said LLP is M/s Espranza Innovations (P) Ltd. This LLP has been considered to be a Joint Venture within the meaning of IND AS 110 and also within the meaning of “Associate Company” as per Section 2(6) of the Companies Act, 2013.

During the year the Company has entered into partnership with M/s Espranza Innovations (P) Ltd in the LLP named Paul Innovations LLP. This LLP has been considered to be a Joint Venture within the meaning of IND AS 110 and also within the meaning of “Associate Company” as per Section 2(6) of the Companies Act, 2013. The Company holds 50% share in the said LLP as on 31st March, 2021.

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 2020-21 in terms of Chapter V of the Companies Act, 2013. As such information in this regard and also the information in terms of Rule 8 (5) (v) and Rule 8 (5) (vi) of Companies (Accounts) Rules, 2014 is nil.

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

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

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

Your Company has in place sound internal 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 07-06-2021 and by the Board of Directors of the Company on 08-06-2021 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) and Rule 8(5)(xii) of the Companies (Accounts) Rules, 2014 for the year under review 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, 2021. 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.

SHARE CAPITAL

a. ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS

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

b. ISSUE OF SWEAT EQUITY SHARE

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

The Authorized Equity Share Capital of the Company as on 31st March 2021 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

The impact of Covid 19 and Company's preparedness to deal with the implications arising out of this scenario have already been discussed in the beginning of this report. 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 31-03-2021.

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. 32,00,000/- (Rupees Thirty Two Lakhs Only) has been paid to Mr. Rajneesh Bansal, Managing Director of the Company, as commission for the Financial Year 2020-21 on the 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 holding company or subsidiary company of Paul Merchants Limited. 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 two LLPs i.e. Paul Innovations LLP and Paul Tech Park LLP in terms of Ind AS 110. 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 2020-21 and corresponding figures for 2019-20 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES/ASSOCIATES/JOINT VENTURES

The Company has two 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 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. EbixCash World Money India Limited (formerly known 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.

During the year under review the Company has become partner in the LLP named Paul Tech Park LLP. The Company holds 50% share in the said LLP as on 31st March, 2021 and the other partner in the said LLP is M/s Espranza Innovations (P) Ltd. This LLP has been considered to be a Joint Venture within the meaning of IND AS 110 and also within the meaning of “Associate Company” as per Section 2(6) of the Companies Act, 2013.

During the year under review the Company has entered into partnership with M/s Espranza Innovations (P) Ltd in the LLP named Paul Innovations LLP. This LLP has been considered to be a Joint Venture within the meaning of IND AS 110 and also within the meaning of “Associate Company” as per Section 2(6) of the Companies Act, 2013. The Company holds 50% share in the said LLP as on 31st March, 2021.

During the FY 2020-21, the Subsidiary Company Paul Merchants Finance (P) Ltd. achieved gross revenue of Rs. 62,90,80,125.49 as against previous year figures of Rs. 43,57,31,731.89, registering a growth of 44.37% over previous year. Further, the said Subsidiary Company achieved a Net profit after Tax of Rs. 19,78,22,103 /- Lakhs as against the previous year figures of Rs. 15,11,61,895 /-.

During the FY 2020-21, the Subsidiary Company PML Realtors (P) Ltd., achieved gross revenue of Rs. 11,26,84,853.07/- as against previous year gross revenue of Rs 31,37,856/-. Further, the said Subsidiary Company achieved Net Profit after Tax of Rs. 86,03,293.48/- as against previous year figures of Rs. 15,72,398.72/- registering a growth of 447% over previous year.

During the FY 2020-21, the Joint Venture (JV) Company M/s Horizon Remit Sdn. Bhd. Malaysia achieved gross revenue of RM 12.44 Lakhs as against previous year gross revenue of RM 41.97 Lakhs. Further, the JV incurred loss of RM 22.48 Lakhs. The corresponding Loss during the previous year was RM 8.80 Lakhs. The financial year of the JV Company ends on 31-12-2020 and accordingly, these figures have been arrived at on the basis of unaudited financial information for the quarter ending March, 2021 and audited Financial Statements for the period ended December, 2020.

During the FY 2020-21, 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.5381/- during the year under review. Previous year’s figures are not available as this LLP was incorporated during the FY 2020-21 only.

During the FY 2020-21, the Joint Venture (JV) LLP M/s Paul Tech Park LLP (earlier known as Paul & Singla Realtors LLP) achieved gross revenue of Rs. NIL as against previous year gross revenue of Rs. NIL. Further, the said JV incurred net loss of Rs.139183/- as against previous year figures of Rs. NIL.

On a consolidated basis, the revenue from operations for FY 2020-21 was Rs. 3,035.08 crore i.e. down by 44% over the previous year’s revenue of Rs. 5401.12 crore. The consolidated profit after tax (PAT) attributable to shareholders and non-controlling interests for FY 2020-21 was Rs. 33.45 Crore as against the previous year figures of Rs. 26.37 Crore, registering a growth of 26.83%. The contribution by each company 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 2021	Share in profit or loss for the year ending 31st March 2020

	as %age of consolidated profit or loss	Amount (Rs in Lakhs)	as %age of consolidated profit or loss	Amount (Rs in Lakhs)
Paul Merchants Limited	38.55%	1,267.73	44.27%	1,189.53
Subsidiary Companies:		-		-
Paul Merchants Finance Private Limited	60.16%	1,978.22	56.26%	1,511.62
PML Realtors Private Limited	2.62%	86.03	0.59%	15.72
Joint Venture (Investment as per Equity Method):				
M/s Horizon Remit BHD. SDN. , Malaysia	-1.31%	-43.16	-1.11%	-29.83
Paul Tech Park LLP	-0.01%	-0.46		-
Paul Innovations LLP	-	-0.03		-
TOTAL		3,288.34		2,637.41
Adjustments arising out of consolidation		56.58		-49.63
TOTAL		3,344.93		2,637.41

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**.

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, 2021 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, 2021 the Committee comprised of the following Directors:

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

The said Committee was reconstituted by the Board on 08-06-2021 with the following composition w.e.f. 01-07-2021:-

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 (2) of the Companies Act, 2013, the Stakeholders Relationship Committee of the Board is duly constituted. As on March 31, 2021 the Committee comprised of the following Directors:

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

Further, the said Committee was reconstituted by the Board on 08-06-2021 with the following composition w.e.f. 01-07-2021:-

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>

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 is always on a look out to enhance the value proposition of its human capital by acquiring the best talent available in each of the business segment it operates. It is ensured to provide the working conditions, whereby people are groomed and trained to become managers. Wherever required, the technology is pressed into service to ensure increased productivity and efficiency. The career paths corresponding to the individual aspirations of people and their qualifications are designed so that people grow with the Organization and are clear about their personal development viz a viz the growth and expansion of the Company. During the year under review, the Company made sure that a safe and secure working place is provided to the people in the wake of Pandemic and the management of the Company stood firmly behind its people. As on 31-03-2021, the Company has 313 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/2021/08/Determination-of-Materiality-12-11-2020.pdf>

The company has already paid listing fees for the Financial Year 2021-22 to BSE Ltd. and has also paid the Annual Custodial fee for the Financial Year 2021-22 to the Depositories.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

INSIDER TRADING:

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

CEO/CFO CERTIFICATION

In accordance with the Regulation 17 (8) read with Part B of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to corporate governance norms, Mr. Rajneesh Bansal, Managing Director and Ms. Bhupinder Kaur, Chief Financial Officer (CFO), have issued a certificate as per the said Regulation for the year ended March 31, 2021. 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 98.17% of the issued shares of the Company are already in dematerialized form as on 31-03-2021. 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 31-03-2021. 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 as per the said Rules at appropriate time.

FINANCIAL STATEMENTS

Annual Report 2020-21 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 2020-21 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, on the website of the Stock Exchange i.e. BSE Limited at 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. The Notice of the AGM shall also be available at the website of CDSL 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

For & On Behalf of the Board

(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)

(DHARAM PAL SHARMA)
WHOLE TIME DIRECTOR
(DIN 07284332)

PLACE: CHANDIGARH

Date: August 12, 2021

ANNEXURE D-1 TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

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2	DEFINITIONS
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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:-

<p>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</p>	<ol style="list-style-type: none"> 1. Ability to understand Financial Markets especially Forex Markets 2. Ability to understand Regulatory/Statutory framework applicable to the Company 3. Quick decision making 4. Understanding of Company's business verticals 5. Experience in developing policies and processes relating to corporate governance 6. Leaderships skills for guiding the management team 7. Ability to formulate long term and short term business strategies 8. Ability to understand Financial Statements
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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, 2/3rd of them being independent.
- 5.2 The quorum for a meeting of the Nomination and Remuneration Committee shall be either 2 members or 1/3rd of the members of the committee, whichever is greater, including at least one independent director in attendance.
- 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

(DHARAM PAL SHARMA)
WHOLE TIME DIRECTOR
(DIN 07284332)

PLACE: CHANDIGARH

Date: August 12, 2021

ANNEXURE D-2 TO THE DIRECTORS' REPORT**Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

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

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

Based on my verification of the PAUL MERCHANTS LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PAUL MERCHANTS LIMITED ("the Company") for the financial year ended on March 31, 2021 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
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014: Not Applicable, as the Company did not provide any shares based benefits to the employees during the year.
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not applicable as the Company has not issued any securities during the financial year under review.
 - 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 (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.
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 including the amendments thereof- Not applicable as the Company has not delisted any securities from any stock exchange during the financial year under review.
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not applicable as the Company has not bought back any of its securities during the financial year under review.
- (vi) The major provisions and requirements prescribed under all applicable Labour laws viz. The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Employee's State Insurance Act, 1948, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972etc.

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, 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: 06.08.2021

UDIN: A046547C000747764

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

ANNEXURE D-2A

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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,
(Formerly Paul Fincap 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, 2021 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, 2021 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

- b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014: Not Applicable, as the Company did not provide any shares based benefits to the employees during the year.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not applicable as the Company has not issued any securities during the financial year under review.
 - d) 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.
 - e) 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.
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 including the amendments thereof- Not applicable as the Company has not delisted any securities from any stock exchange during the financial year under review.
 - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not applicable as the Company has not bought back any of its securities during the financial year under review.
- (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, 1972etc.

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, 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: 09.08.2021

UDIN: A046547C000754958

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

ANNEXURE D-3 TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

PART (1)

(a) INDUSTRY STRUCTURE AND DEVELOPMENTS

Foreign Exchange

After the inception of the Indian foreign exchange market in 1978, only banks were allowed to undergo intra-day trading. However, the market witnessed some changes with currency market reforms that took place in 1990. 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.

There are three main segments of the Indian Foreign Exchange market, including;

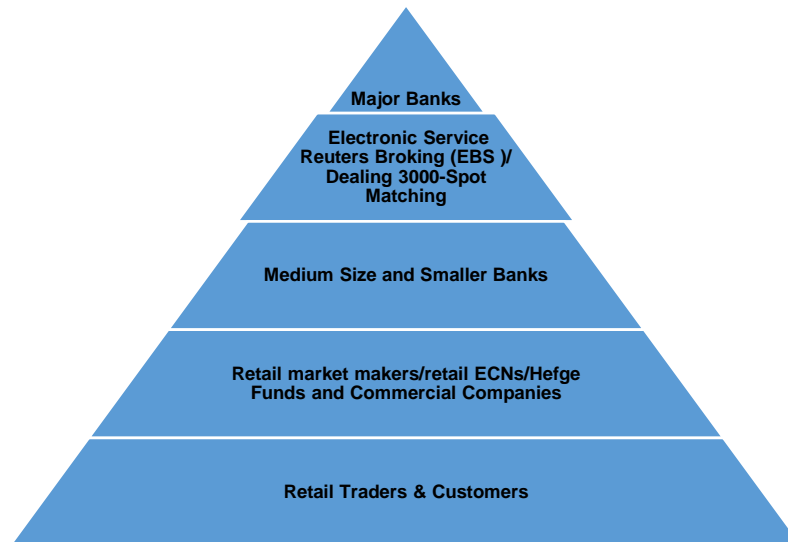
1. **The Reserve Bank of India (RBI) and the Authorized Dealers (ADs)** – All transactions taking place between the RBI and ADs fall under this segment.
2. **The Interbank Market** – It caters to the transactions occurring between concerned authorized dealers.
3. **ADs, Corporate & Individual Customers** – It involves the transactional settlement of the authorized dealers and their corporate & Individual clients

The foreign exchange market is derived by the mechanism of demand and supply. The price of a currency depends upon its shortage or excess in the market. For example, if there is an increased demand for the Indian Rupee, then the price of the INR is likely to increase. Similarly, the excess of the Indian Rupee in the market might become the reason for the depreciation of the INR over a specific time. Before 1990s, RBI used to determine the fixed exchange rate of the Indian Rupee (INR). To facilitate foreign exchange transactions, there are two accounts involved;

1) Nostro Account – It is an overseas foreign currency bank account opened by the Indian government, for example, RBI's US dollar account with Citibank.

2) Vostro Account – A rupee account maintained within India owned and operated by foreign banks, for example Citi bank's Rupee account with RBI.

The forex market structure may be represented as shown below :-



The financial year 2020-21 has been a roller-coaster ride for the rupee due to COVID-19. The pandemic-induced massive sell-off in the equity market led the rupee breach record low of 76.90. However, the optimism over vaccines, easing of lockdown restrictions, infusion of stimulus by governments and central banks all over the world enthused investors with a general sense of optimism, and the rupee vaulted back to the 72 zone. For the current financial year, foreign investors have poured in USD 35.22 billion, the biggest inflows after 2014-15. India attracted the highest-ever foreign direct investment (FDI) inflows at USD 67.54 billion during the first nine months of the financial year 2020-21.

Tours and Travels

Travel and tourism is one of the largest industries in India, with a total contribution of over 247 billion U.S. dollars to the country's GDP, which is estimated to double in the coming years. Although other parts of the economy sailed on turbulent waters in recent years, the tourism industry had grown as an important source of foreign exchange for the country. And for the people on the ground, it has been creating jobs, both directly and indirectly except when the COVID-19 applied brakes on its momentum. Much like the rest of the world, the shock came in March, 2020 with the onset of the coronavirus (COVID-19) pandemic. The government had to impose a strict lockdown, the first being travel restrictions. The travel and tourism industry was one of the worst impacted industries worldwide and this was no different for India. In the hotel segment, the key indicators including occupancy rate, average daily rate, or revenue per available room shrunk in the second and third quarter of 2020. The employment situation of millions of Indians had been negatively impacted. Over the time, restrictions were slowly got lifted across different parts of the country. Towards the festival season in late 2020, the travel and tourism industry in India was finally able to attract some customers again. Although they had a tough year, hoteliers across the country anticipated that it would take around two years to reach pre-pandemic levels again. From customer perspective, many people yearned for a weekend trip after months of being in lockdown. Furthermore, mountainous regions away from crowded cities had been the first choice for a trip after the lockdown. While on a pursuit for a return to pre-pandemic levels, there is also a likelihood of a more eco-friendly and responsible tourism.

India is one of the fastest emerging tourist destinations in the world in the recent years. With beautiful varying landscapes from beaches to snowclad mountains with diverse culture, traditions and cuisines, the country has plenty to offer for international and domestic tourists alike. Moreover, awareness and marketing initiatives such as the Incredible India campaign along with e-visa options, help make travelling to India more accessible for international tourists. Nevertheless, domestic tourists make up the lion's share of tourists in the country as well as for revenues through tourism. Government schemes like 'Dekho Apna Desh' had been continued even in pandemic times with a series of webinars on domestic tourist hotspots. With many western countries still following travel restrictions for travelling abroad, it will be the domestic tourists' turn to bring the travel and tourism industry on the track to recovery in 2021-22.

International Money Transfer

Under this segment, people living abroad send money to their families/dependents living in India. The most preferred channel of remittance for about 75.2% of the transactions was through Rupee Drawing Arrangement since the cost of transaction through this mode is lesser compared to the rest. Rupee Drawing Arrangement (RDA) is a channel to receive cross-border remittances from overseas. Under this arrangement, the Authorized Category I banks enter into tie-ups with the non-resident Exchange Houses in foreign countries. Money transfer Companies, which have presence in multiple countries also facilitate cross-border remittances by partnering with local players in each country. The prominent Money Transfer Companies in the world are Western Union, Moneygram, Continental Exchange Solutions, Transfast etc. who have appointed their Principal Agents in India for undertaking International Inward Money Transfer Services, as in India only inward remittances are allowed by RBI. Remittances are made through these exchange houses and Money Transfer Companies. As per one estimate, 59.2% of the remittance amount received in India is used for family maintenance- for consumption of the family, 20% is used as deposits in banks while 8.3% is used to invest in equity shares, land, property etc.

(b) OPPORTUNITIES & THREATS

OPPORTUNITIES

The global foreign exchange market is currently experiencing a healthy growth. Growing urbanization and digitalization in both the emerging and developed economies are among the key factors driving the growth of the market. The key features of Foreign Exchange, such as minimal trading costs, 24x7 trading opportunities, high transactional transparency and liquidity, have favored its widespread acceptance across the globe. Furthermore, the availability of electronic platforms and the provision of improved security mechanisms for trading are also providing a boost to the market growth. Various internet-based platforms are available to the users for conveniently exchanging currencies between countries while ensuring the delivery of goods and services in a secure and centralized setting. Additionally, various technological advancements, such as the availability of outright forward and currency option, are creating a positive outlook for the market growth. Outright forward enables the trader to lock the current exchange rate, which further protects the investor, exporter or importer from future rate fluctuations. On the other hand, the currency option refers to a contractual document that establishes an obligation to purchase or trade currency at a specific rate. Looking forward, it is expected that the global foreign exchange market will register moderate growth during the next five years. Further, whenever the pandemic starts showing signs of recession, people will be rushing to fulfill their long pent-up desires to visit family and loved ones, the market segment known as "visiting friends and relatives" (VFR) will be one of the first to rebound. In many countries, with the Covid wave on a decline, Hotels are finally

starting to see some signs of life reflected in their bookings. The traction in the International travel sector will help a long way in revival of the Foreign Exchange business also.

THREATS

The economic situation does not look promising as India’s Gross Domestic Product (GDP) contracted by 7.3 per cent in 2020-21, the worst in 40 years. It recorded only a mere 1.6 per cent in the fourth quarter of 2021-21, when the economy was seen picking up. The figure is expected to slide in the first quarter of the new financial year due to the impact of the second wave of Covid and accompanying lockdowns. This comes when the Reserve Bank of India (RBI)’s monetary policy committee has the mandate to keep inflation in the 2-6 per cent band. What is more worrying is the core inflation number, which is the non-food, non-fuel part of the inflation. This component rose to an 83-month high of 6.6 per cent in May 2021, and is expected to remain above five percent throughout the fiscal year. The deadly pandemic COVID 19 has upset the worldwide economies and left some serious impact on International Travel and foreign exchange market. If the restrictions on International travel continue for some more time in future, it will have a serious impact on both the verticals of the company i.e. Tours and travels and Foreign exchange. Due to the declining economies world over due to Covid 19, the International Money transfer segment is also likely to see a downward trend.

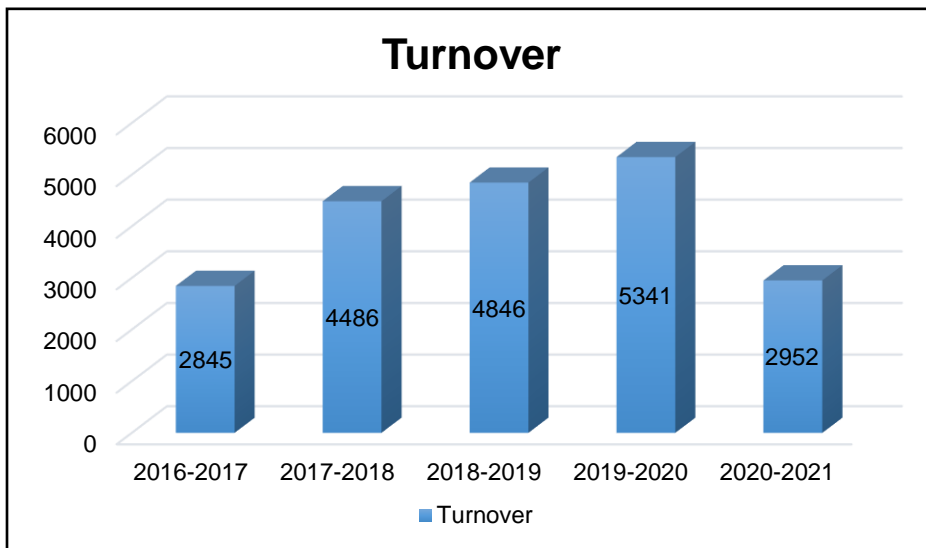
(c) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

FOREX DIVISION

The total turnover from this division decreased to Rs. 2952.59 Crores as compared to previous year figures of Rs. 5341.38 crores, registering a de-growth of 44.72%, chiefly due to decreased demand in the Covid period. Due to restrictions on the international travel trade, the sale and purchase of foreign exchange declined to lowest levels, however the company continued to process overseas remittances in this period by making suitable arrangements.

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

Figures in INR Crores

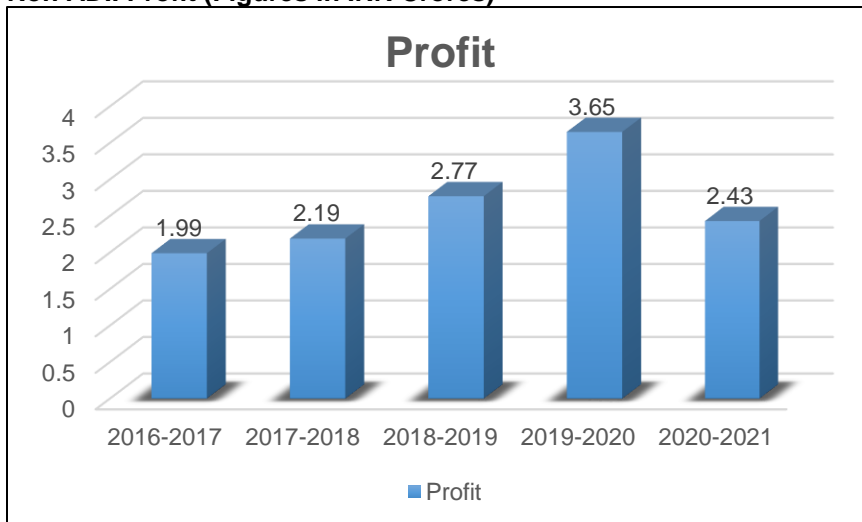


Among the various products in Forex, the Telegraphic Transfer business has always been one of the major contributor towards the overall Forex Sales. This year too it has been one of the major contributing product with 83% share in the total sales. Currency business, which remained sluggish during the year under review due to Covid, contributed to the overall Forex sales with a 17% share.

Non AD II Business

The Non AD II business has been witnessing strict regulatory guidelines in the past few years and the banks are becoming stringent in doing the said transactions. In spite of all the challenges in doing the Non AD II business, the Company has been able to register an income of Rs.2.43 crores as against the previous year’s figures of Rs. 3.65 crores during the year under review, registering thereby a de-growth of 33% over last year, the degrowth being triggered chiefly by Covid led lockdown imposed across majority of the countries.

Non ADII Profit (Figures in INR Crores)



TRAVEL DIVISION

In this segment, Gross Turnover from Hotel Bookings and Packages stood at Rs. 9.15 Lakhs for the year under review as against the previous year figure of Rs. 2.02 crores, registering a decline of 95.47%. Revenue from Hotel Bookings and Packages stood at Rs. 4.84 Lakhs for the year under review as against the previous year figure of Rs. 33.21 Lakhs, registering a decline of 85.43%.

Revenue from Air Ticketing stood at Rs. 41.95 Lakhs for the year under review as against the previous year figure of Rs. 1.63 crores, registering a decline of 74.30%.

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 for his Travel Needs. Revenue from Visa, Bus Bookings and Railway Booking services stood at Rs. 1.80 Lakh for the year under review as against the previous year figure of Rs. 13.84 Lakhs, registering a decline of 86.96%.

Though the year under review has been a forgettable year in terms of performance in this segment due to outbreak of Covid 19, the Company has been taking efforts to improve its performance in this segment, however, a lot will depend upon the Covid situation in the country in the days to come.

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 Rs. 43.43 Lakhs as against the previous year figure of 71.65 Lakhs, registering a decline of 39.37%.

Further, the Company achieved Revenue from Domestic Money Transfer at Rs. 9.59 Lakhs as against the previous year figure of Rs. 17.67 Lakhs, registering a decline of 45.75%.

(d) OUTLOOK

Financial performance of International Travel segment and closely linked Foreign Exchange segment is expected to be worse and more varied in the FY 2021-22, mainly because of difficulties in controlling the Covid virus variants and slower vaccination in some regions. However, whenever the pandemic starts showing signs of recession, people will be rushing to fulfill their long pent-up desires to visit family and loved ones, the market segment known as “visiting friends and relatives” (VFR) will be one of the first to rebound. In many countries, with the Covid wave on a decline, Hotels are finally starting to see some signs of life reflected in their bookings. The traction in the International travel sector will help a long way in revival of the Foreign Exchange business also. India’s economy is expected to grow at 8.3% for Fiscal Year 2021-22 as per the World Bank’s latest projections. This rate, however, masked the damage caused by the “enormous” second wave of COVID-19, the Bank said. The world economy is expected to expand 5.6%, the fastest post-recession growth rate in eighty years, but global output will still be 2% below pre-pandemic projections by year-end.

(e) RISKS AND CONCERNS

The Foreign Exchange segment sees three types of risks. Transaction risk is the risk faced by a company when making financial transactions between different jurisdictions. The risk is the change in the exchange rate before transaction settlement. Essentially, the time delay between transaction and settlement is the cause of transaction risk. Transaction risk can be mitigated using forward contracts and options. Economic risk, 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. Translation risk, also known as translation exposure, refers to the risk faced by a company headquartered domestically but conducting business in a foreign jurisdiction, and of which the company’s financial performance is denoted in its domestic currency. Further, the Foreign exchange business is also prone to risks like Theft, Burglary/ Dacoity, loss during cash/currency in transit, Embezzlement of Cash/Currency by Company’s own employees, Exchange Rate volatility and Compliance / Regulatory violations. Proper Systems, checks and balances are in place in the Company to mitigate all such risks. In Travel sector, the demand in the near future is likely to remain lethargic due to Covid 19. The competition in the market in all segments is increasing by every passing day. Further, the Covid led economic recession is a major risk and concern for all the verticals of the Company. 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.

(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. 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 designated Mr. Dharam Pal Sharma (Ex GM RBI), 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, 2021). 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, 2021, internal financial controls in the Company were adequate and operating effectively.

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

During the year under review, total Revenue from operations of the Company (standalone) was Rs. 2961.50 crore as compared to Rs. 5357.68 crores in 2019-20, registering a decrease of 45% over last year mainly due to impact of restrictions in international travel and lock down due to pandemic. The total operating (Loss) of the Company (Standalone) is Rs. (3.03) crores as compared to last year Operating profits of Rs. 4.50 crores. Total Profit before tax (PBT) (standalone) for FY 2020-21 is Rs. 15.98 crores and Profit after tax is Rs. 12.68 crores.

During the year under review, total Revenue from operations of the Company (consolidated) was Rs. 3035.07 crores as compared to Rs. 5401.12 crores in corresponding previous year, the decline being due to impact of lock down imposed by the Government to contain the spread of Covid-19.

Consolidated Profit before tax (PBT) for year under review is Rs. 43.78 Crores (including Share of Loss in Joint Venture) and Consolidated Profit after tax is Rs. 33.45 crores.

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

Your Company has always aspired and put its best efforts to create a culture that demonstrates world-class standards in professionalism, work environment and sustainability. People are our most valuable asset and we are committed to provide all our employees with opportunities of growth and personal development. Company's approach to recruitment is focused on hiring multi dimensional, high-quality talent. We operate our businesses with industry best practices. Our Human Resources Policies focus on nurturing promising young minds to act as catalysts to shape up the business and back end departments to the next levels by using technology and human effort in sync with each other. 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, 2021, 313 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		2019-20	2020-21	Change	EXPLANATION FOR CHANGE
a	Debtors Turnover	Credit Sale/Average Trade receivable	16.2	5.72	-65%	Due to decrease in credit Sales and corresponding decrease in closing trade receivable.
b	Inventory Turnover	Cost of goods sold/average inventory	227	83	-63%	This is mainly because of decrease in currency sales due to Covid -19 scenario.
c	Interest Coverage Ratio	PBT/Interest	136	287	+112%	Interest cost reduced due to low usage of credit limits
d	Current Ratio	Current Assets/ Current Liability	8.52	9.25	+9%	Current Assets increased compared to last year mainly due to increase in Working capital Loan to Wholly Owned Subsidiary and increased Cash and Bank balance.
e	Debt Equity Ratio	Debt/Total Equity	0.00	0.01	-	Debt balance at the year end is Rs 504 Lakhs i.e. negligible compared to total Equity of the Company of Rs 40418 lakhs. There is no significant change.
f	Operating Profit Margin (%)	Operating Income/Total	0.08%	-0.10%	-222%	The decline is due to significant contribution of other income in the total

		Operating Revenue				income of the Company and fall in overall business revenues due to Covid induced lockdown and extended international travel restrictions
g	Net Profit Margin (%)	PBT/ Total Income	0.31%	0.54%	74%	Improved due to contribution by other income despite fall in overall operational business revenues due to Covid induced lockdown and extended international travel restrictions.
h	Any sector-specific equivalent ratios, as applicable		-	-	-	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	2019-20	2020-21	Change	EXPLANATION FOR CHANGE
Return On Net Worth	3%	3%	-	No Change

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)

PLACE: CHANDIGARH
Date: August 12, 2021

For & On Behalf of the Board

(DHARAM PAL SHARMA)
WHOLE TIME DIRECTOR
(DIN 07284332)

ANNEXURE D-4 TO THE DIRECTORS' REPORT

Details of Loans			
Sr. No.	Name of Entity/Person	Amount (in Rs.)	Purpose
1	Paul Merchants Finance (P) Ltd., Wholly Owned Subsidiary	36,17,00,100/- *	Net Working Capital Limit extended during the Financial year 2020-21
*Total Balance outstanding as on 31-03-2021 is Rs. 1,37,88,50,103/-			
Details of Guarantees and Securities			
Sr. No.	Name of Entity/Person	Amount	Purpose
1	State bank of India	Rs 50 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
2	State bank of India	Property known as H. No. 749, Sector 8, Chandigarh & commercial property known as DSM 335-336-337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi -110015 both valued at about Rs. 20 crores	Security for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
3	State bank of India	Fixed deposit of Rs. 2.08 crores	Security for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
4	Kotak Mahindra Bank Limited	Rs 9.90 crores	Additional Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
5	Kotak Mahindra Bank Limited	Investments in Tax Free Bonds and IDFC Fixed Monthly Plan valuing Rs 32.87 Crores	Security for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited

Details of Investments

A. Investment in Mutual Funds

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	Aditya Birla Sun Life Corporate Bond Fund	32,971	To park surplus funds
2	Axis Focused 25 Fund Direct Plan Growth	13,16,472	-do-
3	HDFC Small Cap Fund Direct Plan Growth	12,07,970	-do-
4	ICICI Prudential Liquid Direct Plan Growth	1,02,814	-do-
5	HDFC Equity Savings Fund Direct Plan Growth Folio	7,36,868	-do-
6	L&T Liquid Fund	4,55,397	-do-
7	L&T India Value Fund Direct Plan Growth	4,50,927	-do-
8	IDFC Fixed Term Plan Series 149 Direct Plan*	3,74,91,600	-do-
9	Kotak Standard Multicap Fund Direct Plan Growth	12,44,427	-do-
10	Mirae Asset India Equity Fund Direct Plan	12,57,082	-do-
11	ASK Investment Managers Limited -Domestic Resurgence PMS	35,61,587	-do-
12	ASK Investment Managers Limited IEP PMS A/C	35,58,235	-do-
13	L & T Ultra Short Term (G)	7,04,991	-do-
14	HDFC Ultra Short Term Fund-Regular Plan Growth	10,09,434	-do-
15	Aditya Birla Sunlife Liquid Fund INF209K01RU9	14,61,862	-do-
16	HDFC Liquid Fund _ 13393612/56	7,05,158	-do-
17	IDFC Money Manager Fund INF194K01LG9	10,95,851	-do-

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

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	7.03 % Housing and Urban Development Corporation Limited	1,26,77,254	To park surplus funds
2	8.56 % Housing and Urban Development Corporation Limited	2,72,59,750	-do-
3	8.48% India Infrastructure Finance Company Limited	6,44,67,803	-do-
4	8.54% Power Finance Corporation Limited	6,41,75,816	-do-
5	Rural Electrification Corporation Limited	2,45,20,110	-do-
6	7.22% Rural Electrification Corporation Limited	1,39,82,771	-do-
7	7.55% Indian Railway Finance corporation	2,10,02,549	-do-
8	8.20% NHAI 2022	2,14,75,859	-do-
9	8.20% Power Finance Corporation Ltd	1,49,31,102	-do-
10	7.62% HUDCO 11 Nov 21	2,09,10,148	-do-
11	8.23% IRFC 18 Feb 24	58,55,089	-do-

C. Investments in Equity Share -Unquoted at FVTPL

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	ALACRITY ELECTRONICS LIMITED	843	To park surplus funds
2	DCL FINANCE LTD	-	-do-
3	GUJRAT TELEPHOE CABLES LIMITED	750	-do-
4	LUMAX AUTOMOTIVE SYSTEMS LIMITED	100	-do-
5	NOIDA MEDICARE CENTRE LIMITED	650	-do-
6	NUCHEM LIMITED	1,500	
	TOTAL	3,843	

D. Investments in Equity Shares -Quoted at FVTPL

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	BALLARPUR INDUSTRIES LIMIED	3	To park surplus funds
2	CENTURY ENKA LIMITED	6,305	-do-
3	GUJRAT NARMADA VALLEY FERT. & CHEM. LIMITED	11,941	-do-
4	INNOVATIVE TECH PACK LIMITED	3,500	-do-
5	LORDS CHLORO ALKALI LTD.	691	-do-
6	MINI DIAMONDS (INDIA) LIMITED	3,340	-do-
7	MIRC ELECTRONICS LIMITED	281	-do-
8	NOVA IRON & STEEL LIMIED	607	-do-
9	RELIANCE HOME FINANCE LIMITED	3	-do-
10	RELIANCE INDUSTRIES LIMITED	1,19,670	-do-
11	RELIANCE POWER LIMITED	34	-do-
12	RITESH PROPERTIES AND INDUS. LTD	7,620	-do-
13	WELSPUN SPECIALTY SOLUTIONS LIMITED	607	-do-
	TOTAL	1,54,602	

E. Investments in Preference Shares- Quoted at FVTPL

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	6% Zee Entertainment Enterprises Limited	56,42,192	To park surplus funds

F. Investments in Structured Entity- Unquoted at FVTPL

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	India Real Estate Fund	2,07,20,000	-do-

	GRAND TOTAL OF INVESTMENTS	37,41,72,533	
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***Note 1:** Investments measured at Fair Value through Profit & Loss

Note 2: Further reference can be made in this regard to Note no. 2, 3, 6, 9, 10, 37 and 38 to the accompanying Financial Statements

For & On Behalf of the Board

For & On Behalf of the Board

(RAJNEESH BANSAL)
MANAGING DIRECTOR
 (DIN 00077230)

(DHARAM PAL SHARMA)
WHOLE TIME DIRECTOR
 (DIN 07284332)

PLACE: CHANDIGARH

Date: August 12, 2021

ANNEXURE D-5 TO THE DIRECTORS' REPORT

FOR M NO. AOC-2

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

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

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

Name(s) of the related party and nature of relationship	Rajneesh Bansal – Executive Director till 31.08.2020 and Managing Director w.e.f. 01.09.2020 (DIN 00077230)	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Salary & Commission	1,59,68,043
Duration of the contracts/arrangements/transactions	01.09.2020 to 31.03.2025	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Salary	Payable per Month	
Rent Free accommodation is valued on notional rent basis and Electricity and water expenses paid therein are taken on actual paid basis	Payable per Month	
Commission @ 3% of the Net Profits is payable at the end of the FY on recommendation of the Nomination & Remuneration Committee	Payable Annually	
Date(s) of approval by the Board, if any	13.02.2020 & 18.08.2020	
Amount paid as advances, if any:	Nil.	

Name(s) of the related party and nature of relationship	Sat Paul Bansal – Chairman Cum Managing Director (DIN 00077499) till 31.08.2020	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Salary and One-time Special Incentive	1,66,20,000
Duration of the contracts/arrangements/transactions	From 01.04.2019 to 31.03.2024	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Salary	Payable per Month	
One Time Special incentive	Payable in Installments	
Date(s) of approval by the Board, if any	06.08.2019	
Amount paid as advances, if any:	Nil	

Name(s) of the related party and nature of relationship	Dharam Pal Sharma – Whole Time Director & Designated Director (DIN 07284332)	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Remuneration, Performance bonus, Incentive & Leave encashment	8,69,512
Duration of the contracts/arrangements/transactions	From 01/04/2020 to 31/03/2025	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Salary	Payable per Month	
Performance Bonus	Payable Annually	
Incentive	Payable per Month	
Leave Encashment	Payable Annually	
Date(s) of approval by the Board, if any	13.02.2020 & 18.08.2020	
Amount paid as advances, if any:	NIL.	

Name(s) of the related party and nature of relationship	Bhupinder Kaur – Chief Financial Officer	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Remuneration, Performance Bonus, Leave encashment	13,87,727
Duration of the contracts/arrangements/transactions	No Fixed Tenure	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Salary	Payable per Month	
Performance Bonus	Payable Annually	
Leave Encashment	Payable Annually	
Date(s) of approval by the Board, if any	07.02.2019	
Amount paid as advances, if any:	NIL.	

Name(s) of the related party and nature of relationship	Hardam Singh – Company Secretary	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Remuneration, Performance Bonus, Leave encashment & Leave Travel Concession	29,05,119
Duration of the contracts/arrangements/transactions	No Fixed Tenure	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Salary	Payable per Month	

Performance Bonus	Payable Annually	
Leave Encashment	Payable Annually	
Incentive	Payable monthly	
Leave Travel Concession	Payable Annually	
Date(s) of approval by the Board, if any	07.02.2019	
Amount paid as advances, if any:	NIL.	

Name(s) of the related party and nature of relationship	Rajneesh Bansal - Managing Director (DIN 00077230)	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Rent paid pursuant to Rent Agreement in respect of Shop No. 3, 4A,4B & 4C, Lower Ground Floor, Alfa Estate Building, Jalandhar	4,98,282.0
Duration of the contracts/arrangements/transactions	01/04/2019 to 31/03/2022	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 39672/- per month from 01.04.2020 to 31.08.2020 and @ Rs. 42846/- per month from 01.09.2020 till 31.03.2021	
Annual Increase	8%	
Local Levies	Payable by the Lessee	
Date(s) of approval by the Board, if any	12.02.2013	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis	

Name(s) of the related party and nature of relationship	Rajneesh Bansal - Managing Director (DIN 00077230)	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Rent paid pursuant to Rent Agreement in respect of Shop No. 1A, Ground Floor, Mcleodganj, Dharamshala	9,22,743
Duration of the contracts/arrangements/transactions	01/04/2020 to 31/03/2023	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 73,467/- per month from 01.04.2021 to 31.08.2021 and Rs. 79,344/- per month from 01.09.2020 to 31.03.2021	
Annual Increase	8%	

Local Levies	Payable by the Lessee.	
Date(s) of approval by the Board, if any	07.02.2014	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Rent paid pursuant to Rent Agreement for taking the Office Premises at 1 st Half on 1st Floor, above Matrix Saloon, Near Kessal Mall, Kurukshetra, bearing SCO No. 39, Sector -17, Kurukshetra, Haryana on rent.	97,200
Duration of the contracts/arrangements/transactions	From 01/03/2018 to 31/12/2026 (Discontinued the Rent Agreement w.e.f. 01.03.2021)	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 4500/- per month from 01.04.2020 to 30.04.2020 and Rs. 9000/- per month from 01.05.2020 to 31.12.2020 and thereafter Rs. 10,350/- per month from 01.01.2021 to 28.02.2021	
Annual Increase	In case future rent is revised between Paul Merchants Finance (P) Ltd and the actual landlord, then the Company will pay 50% of the rent payable by Paul Merchants Finance (P) Ltd.	
Local Levies	50% of Utility Bills shall be paid by M/s Paul Merchants Ltd. on actual usage basis (GST as applicable shall be paid by the Lessee)	
Date(s) of approval by the Board, if any	14.02.2018	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Rent received pursuant to Rent Agreement for giving a portion measuring 600 Sq.ft. approx. at Ground Floor of SCO 829-830, Sector 22-A, Chandigarh on rent	9,52,500
Duration of the contracts/arrangements/transactions	01/06/2019 to 31/05/2022	

Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 75,000/- per month from 01.04.2020 to 31.05.2020 and Rs. 80,250/- per month w.e.f. 01.06.2020 till 31.03.2021	
Annual Increase	7%	
Local Levies	Local levies, Server expenses and utility bills included in rent. (GST payable by the Lessee)	
Date(s) of approval by the Board, if any	17.08.2012 & 14.05.2019	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/ transactions	Rent received pursuant to Rent Agreement for renting out a portion of SCO no. 14, 1st floor, Green Park Avenue, Canal Colony, Pakhowal Road, Ludhiana	4,24,720
Duration of the contracts/ arrangements/ transactions	01/06/2017 to 21/04/2026 (Discontinued the Rent Agreement w.e.f. 01.03.2021)	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 33,528/- per month from 01.04.2020 to 30.06.2020 and Rs. 40,517/- per month w.e.f. 01.07.2020 to 28.02.2021	
Annual Increase	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent payable by the Company.	
Local Levies	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Merchants Finance (P) Ltd.	
Date(s) of approval by the Board, if any	29.05.2017	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	Amount for the FY 2020-21 (Rs.)
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Nature of contracts/arrangements/ transactions	Rent received pursuant to Rent Agreement for renting out a portion measuring 18198 Sq. Ft. of the built up Godown site owned by the Company situated at Vakia Mauja Pabhat, Hadbast No. 234, Tehsil Derabassi, District S.A.S. Nagar, Mohali	90,000
Duration of the contracts/ arrangements/transactions	14/02/2020 to 13/02/2023 (Discontinued the Rent Agreement w.e.f. 01.01.2021)	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 10,000/- per month from 01.04.2020 to 31.12.2020	
Annual Increase	There shall be an increase of 7% in the amount of rent every year over the last paid rent	
Local Levies	Shall be payable by Paul Merchants Finance (P) Ltd. on proportionate basis.	
Date(s) of approval by the Board, if any	13.02.2020	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/ transactions	Rent received pursuant to Rent Agreement for renting out a portion of Ground Floor, Shop No. 3039A, Sharma Complex House Road, Opp. Traffic Police, Bathinda.	1,29,605
Duration of the contracts/ arrangements/transactions	W.e.f 01/04/2016 till termination by both parties with mutual consent. (Discontinued the rent Agreement w.e.f. 01.02.2021)	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 10,580/- per month from 01.04.2020 to 30.04.2020 and Rs. 13,225/- per month w.e.f. 01.05.2020 to 31.01.2021	
Annual Increase	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent payable by the Company.	
Local Levies	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Merchants Finance (P) Ltd.	
Date(s) of approval by the Board, if any	11.02.2016	

Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL)– Wholly Owned Subsidiary Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/ transactions	Commission earned on Domestic Money Transfer (DMT) Services	5,76,401
Duration of the contracts/ arrangements/transactions	Perpetual Distributor Agreement dated 16.11.2015 & Amendment Agreement dated 10.02.2017 vide which the Company is acting as a Distributor of Paul Merchants Finance (Pvt.) Ltd for offering DMT Services	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate	On every Transaction of DMT processed by the Company, the Company is entitled to 2/3 rd of the Gross Commission. There are two models of funds settlement. Under one mode, the service charges received from the customer are passed on to PMFPL after retaining the commission and in second model, entire Service charges received from the customer are passed on to PMFPL and PMFPL releases the commission to the Company. Accordingly, a sum of Rs. 5,76,401/- has been earned by the Company as Gross Commission under this Model.	
Annual Increase	NA	
Date(s) of approval by the Board, if any	Perpetual Distributor Agreement approved on 09.11.2015 & Amendment Agreement was approved on 09.02.2017	
Amount paid as advances, if any:	As mutually agreed from time to time.	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Service charges received for INDO-NEPAL Money Transfer Services	3,82,544
Duration of the contracts/arrangements/transactions	Addendum dated 17.11.2018 to the Perpetual Distributor Agreement dated 16.11.2015, vide which the Company is acting as a Distributor of PMFPL for offering Indo Nepal Money Transfer Services	

Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate	On every Transaction of Indo Nepal Money Transfer, the Company is entitled to 2/3 rd of the Gross Commission. A sum of Rs. 3,82,544/- has been received as commission from Paul Merchants Finance (Pvt.) Ltd on this account.	
Annual Increase	N/a	
Date(s) of approval by the Board, if any	Addendum approved on 13.11.2018, Perpetual Distributor Agreement approved on 09.11.2015 & Amendment Agreement approved on 09.02.2017	
Amount paid as advances, if any:	As mutually agreed from time to time.	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Receipt of Final Dividend for FY 2019-20 and Interim Dividend for FY 2020-21 declared by Paul Merchants Finance (Pvt.) Ltd.	2,48,13,740
Duration of the contracts/arrangements/transactions	Not Applicable	
Salient terms of the contracts or arrangements or transactions including the value, if any:	No such contract in place	
Date(s) of approval by the Board, if any	N/A	
Amount paid as advances, if any:	N/A	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Commission paid in respect of travel related services offered by the PMFPL as per the Distributor Arrangement	36,894
Duration of the contracts/arrangements/transactions	Perpetual Distributorship Agreement dated 14.05.2019	
Salient terms of the contracts or arrangements or transactions including the value, if any:		

Rate	On every transaction processed by the PMFPL pursuant to this arrangement, PMFPL will be entitled to retain 70% of the total revenue earned on that transaction.	
Annual Increase	NA	
Local Levies	Applicable GST on the income received by the respective parties shall be borne by themselves.	
Date(s) of approval by the Board, if any	14.05.2019	
Amount paid as advances, if any:	NA	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Commission paid in respect of Forex related services offered by the PMFPL as Referral Agent of the Company.	6,88,088
Duration of the contracts/arrangements/transactions	Perpetual Referral Agreement dated 06.08.2019	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate	A commission at the rate of 70% of the margin earned by the company on every transaction.	
Annual Increase	N/A	
Date(s) of approval by the Board, if any	06.08.2019	
Amount paid as advances, if any:	NA	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Working capital limit advanced by the Company	36,17,00,100
Duration of the contracts/arrangements/transactions	Effective from the date of execution i.e. 08-02-2019, shall continue till the Loan and the Secured Obligations are fully paid off by the Borrower	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Amount of Loan:- Total disbursements from time to time Rs. 36,17,00,100/- and after repayments from time to time, the outstanding principal balance – Rs 1,37,88,50,103/-		

Rate of Interest: 10% p.a. on balance outstanding from time to time		
Purpose of Loan: To Meet the working capital needs		
Tenure: Repayable on Demand		
Date(s) of approval by the Board, if any	07.02.2019 & 06.08.2019	
Amount paid as advances, if any:	NA	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Receipt of Interest on working capital limit advanced by the Company	11,96,09,956
Duration of the contracts/arrangements/transactions	Effective from the date of execution i.e. 08-02-2019, shall continue till the Loan and the Secured Obligations are fully paid off by the Borrower	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Amount of Interest Received:- Rs. 11,96,09,956/- @ 10% p.a. on balance outstanding from time to time		
Date(s) of approval by the Board, if any	07.02.2019 & 06.08.2019	
Amount paid as advances, if any:	NA	

Name(s) of the related party and nature of relationship	Paul E-Commerce (P) Ltd.- Group Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Rent received pursuant to Rent Agreement for renting out Half portion of Basement of C-21, Pamposh Enclave, New Delhi on rent	3,08,406
Duration of the contracts/arrangements/transactions	From 01/10/2018 to 30/09/2021	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 24,712/- per month from 01.04.2020 to 30.09.2020 and Rs. 26,689/- inclusive GST per month w.e.f. 01.10.2020.	
Annual Increase	8%	
Local Levies	All local levies & Taxes will be paid by the Lessor.	
Date(s) of approval by the Board, if any	21.09.2017	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Paul Tech Park LLP (earlier known as Paul & Singla Realtors LLP)- A Limited Liability Partnership Firm, in which the Wholly Owned Subsidiary of the Company M/s PML Realtors (P) Ltd is a Designated Partner	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/ transactions	Rent received pursuant to Rent Agreement for renting out a portion at 2nd Floor, SCO 827-828, Sector 22-A, Chandigarh.	1,17,199
Duration of the contracts/ arrangements/transactions	From 18/07/2018 to 17/07/2021 (Discontinued the rent Agreement w.e.f. 01.01.2021)	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 12,420/- plus GST per month from 01.04.2020 to 17.07.2020 and Rs. 13,414/- plus GST per month w.e.f. 18.07.2020 till 31.12.2020	
Annual Increase	8%	
Local Levies	All local levies & Taxes will be paid by the Lessor.	
Date(s) of approval by the Board, if any	28.05.2018	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

Name(s) of the related party and nature of relationship	PML Realtors (Pvt.) Ltd. – A Wholly Owned Subsidiary Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/ transactions	Rent received pursuant to Rent Agreement for renting out a portion at 2 nd Floor of SCO 827-828, Sector 22-A, Chandigarh.	1,69,924
Duration of the contracts/ arrangements/transactions	From 18/12/2017 to continuous Agreement until terminated by either party	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 13,997/- per month from 01.04.2020 to 07.02.2021 and Rs. 15,117/- per month w.e.f. 08.02.2021 till 31.03.2021	
Annual Increase	8%	
Local Levies	Will be borne by the Lessor.	
Date(s) of approval by the Board, if any	14.11.2017	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Paul Excursions (Pvt.) Ltd. – Group Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/ transactions	Rent received pursuant to Rent Agreement for renting out a portion at Second Floor, SCO 829-830, Sector 22-A, Chandigarh .	54,571
Duration of the contracts/ arrangements/transactions	From 01/06/2019 to 31/05/2022 (Discontinued the rent Agreement w.e.f. 01.01.2021)	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 5750/- per month from 01.04.2020 to 31.05.2020 and Rs. 6153/- per month w.e.f. 01.06.2020 till 31.12.2020	
Annual Increase	7% at the end of every 12 months	
Local Levies	Will be borne by the Lessor. GST as applicable will be paid by the Lessee.	
Date(s) of approval by the Board, if any	14.05.2019	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Paul Fast Remit (Pvt.) Ltd. – Group Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/ transactions	Rent received pursuant to Rent Agreement for renting out a portion at Second Floor, SCO 829-830, Sector 22-A, Chandigarh.	54,571
Duration of the contracts/ arrangements/transactions	From 01/06/2019 to 31/05/2022 (Discontinued the rent Agreement w.e.f. 01.01.2021)	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 5750/- per month from 01.04.2020 to 31.05.2020 and Rs. 6153/- per month w.e.f. 01.06.2020 till 31.12.2020	
Annual Increase	7% at the end of every 12 months	
Local Levies	Will be borne by the Lessor. GST as applicable will be borne by Lessee.	
Date(s) of approval by the Board, if any	14.05.2019	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Paul Overseas (Pvt.) Ltd. – Group Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/ transactions	Rent received pursuant to Rent Agreement for renting out a portion at Ground Floor, SCO 829-830, Sector 22-A, Chandigarh.	60,724
Duration of the contracts/ arrangements/transactions	From 01/06/2019 to 31/05/2022 (Discontinued the Rent Agreement w.e.f. 01.02.2021)	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 5750/- per month from 01.04.2020 to 31.05.2020 and Rs. 6153/- per month w.e.f. 01.06.2020 till 31.01.2021	
Annual Increase	7% at the end of every 12 months	
Local Levies	Will be borne by the Lessor. GST as applicable will be borne by the Lessee.	
Date(s) of approval by the Board, if any	14.05.2019	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Talk More Communications (Pvt.) Ltd. – Group Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/ transactions	Rent received pursuant to Rent Agreement for renting out a portion at Second Floor, SCO 829-830, Sector 22-A, Chandigarh.	54,571
Duration of the contracts/ arrangements/transactions	From 01/06/2019 to 31/05/2022 (Discontinued the rent Agreement w.e.f. 01.01.2021)	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 5750/- per month from 01.04.2020 to 31.05.2020 and Rs. 6153/- per month w.e.f. 01.06.2020 till 31.12.2020	
Annual Increase	7% at the end of every 12 months	
Local Levies	Will be borne by the Lessor. GST as applicable will be borne by the Lessee.	
Date(s) of approval by the Board, if any	14.05.2019	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

Name(s) of the related party and nature of relationship	PML Holidays (Pvt.) Ltd. – Group Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Rent received pursuant to Rent Agreement for renting out a portion at Second Floor, SCO 829-830, Sector 22-A, Chandigarh.	54,564
Duration of the contracts/arrangements/transactions	From 01/06/2019 to 31/05/2022 (Discontinued the Rent Agreement w.e.f. 01.01.2021)	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 5750/- per month from 01.04.2020 to 31.05.2020 and Rs. 6152/- per month w.e.f. 01.06.2020 till 31.12.2020	
Annual Increase	7% at the end of every 12 months	
Local Levies	Will be borne by the Lessor. GST as applicable will be borne by the Lessee.	
Date(s) of approval by the Board, if any	14.05.2019	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

Name(s) of the related party and nature of relationship	PAUL DISTRIBUTORS – (Sole Prop. Firm of Smt. Sarita Rani Bansal)	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/transactions	Rent paid pursuant to Rent Agreement for taking a portion measuring 873.6 Sq. Ft. at the 2nd Floor of SCO No. 12, Sector 20-D, Chandigarh.	3,00,000
Duration of the contracts/arrangements/transactions	From 07/08/2019 to 06/08/2022 (Discontinued the Rent Agreement w.e.f. 01.07.2020)	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 1,00,000/- including GST per month from 01.04.2020 to 30.06.2020	
Annual Increase	8%	
Local Levies	Electricity & Water Bills will be borne by Lessee on proportionate basis and all other taxes will be borne by the Lessor.	
Date(s) of approval by the Board, if any	06.08.2019	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	

Name(s) of the related party and nature of relationship	Smt. Sarita Rani Bansal – Director of the Company	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/ transactions	Rent paid pursuant to Rent Agreement for taking a Flat No. A1-801, Block A, Floor No. 8, Regency Heights, Sector 90, Mohali, Punjab on rent.	13,63,824
Duration of the contracts/ arrangements/transactions	From 07/08/2019 to 06/08/2022 (Discontinued the Rent Agreement w.e.f. 01.03.2021)	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 1,18,800/- per month from 01.04.2020 to 31.08.2020 and Rs. 1,28,304/- w.e.f. 01.09.2020 till 28.02.2021	
Annual Increase	8%	
Local Levies	Will be borne by the Lessee.	
Date(s) of approval by the Board, if any	06.08.2019	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	

Name(s) of the related party and nature of relationship	PAUL INSTACRED PRIVATE LIMITED – (Group Company)	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/ transactions	Rent Agreement for renting out a portion measuring 100 Sq. Ft. approx. at the 2nd Floor of SCO No. 827-828, Sector 22-A, Chandigarh.	35,467
Duration of the contracts/ arrangements/transactions	From 15/11/2020 to 14/11/2023 (Discontinued the Rent Agreement w.e.f. 01.02.2021)	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	An all-inclusive sum of Rs. 14,000/- including GST per month from 15.11.2020 to 31.01.2021	
Annual Increase	8%	
Local Levies	Electricity & Water Bills will be borne by Lessor	
Date(s) of approval by the Board, if any	12.11.2020	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

Name(s) of the related party and nature of relationship	PAUL INNOVATIONS LLP – (A Limited Liability Partnership firm, in which Paul Merchants Limited is a Partner)	Amount for the FY 2020-21 (Rs.)
Nature of contracts/arrangements/ transactions	Rent Agreement for renting out a portion measuring 100 Sq. Ft. approx. at the 2nd Floor of SCO No. 827-828, Sector 22-A, Chandigarh.	32,065

Duration of the contracts/ arrangements/transactions	From 23.01.2021 to 10.02.2024	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	An all-inclusive sum of Rs. 14,000/- including GST per month from 23.01.2021 to 31.03.2021	
Annual Increase	8%	
Local Levies	Electricity & Water Bills will be borne by Lessor	
Date(s) of approval by the Board, if any	11.02.2021	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	

For & On Behalf of the Board

(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)

PLACE: CHANDIGARH
Date: August 12, 2021

For & On Behalf of the Board

(DHARAM PAL SHARMA)
WHOLE TIME DIRECTOR
(DIN 07284332)

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, Operations and Compliance functions.
- b. Benefits derived like product improvement, cost reduction, product development or import substitution:- The benefit derived from above steps enables the Company to carry on its operations in an efficient and cost-effective manner which in turn helps the Company offer its services and products in a 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:

	2020-21	2019-20
PARTICULARS	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)
Foreign Exchange Outgo		
Towards Travelling Overseas	-	8.60
Towards Overseas Tour Packages Business	1.15	147.83
Towards Membership & Subscription Fee (IATA & ASTA)	1.56	-
Towards Revenue Share for outward Remittances	133.44	194.78
Total	136.15	351.21
Foreign Exchange Receipts		
Tour Packages Business	0.59	11.87
Total	0.59	11.87

For & On Behalf of the Board

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

PLACE: CHANDIGARH
Date: August 12, 2021

For & On Behalf of the Board

**(DHARAM PAL SHARMA)
WHOLE TIME DIRECTOR
(DIN 07284332)**

ANNEXURE D-7 TO THE DIRECTORS' REPORT**ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2020-21****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 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/2021/06/CSR-Policy.pdf>

2. Composition of CSR Committee:-

(As on 31.03.2021)

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

The Board of Directors of the Company in its meeting held on 08.06.2021 had reconstituted the Corporate Social Responsibility (CSR) Committee w.e.f. 01.07.2021. Accordingly the Composition of CSR Committee w.e.f. 01.07.2021 is as under: -

Sr. No.	Name of Director	Designation /Nature of Directorship
1.	Sh. Sat Paul Bansal	Chairman / Non-Executive Non-Independent Director
2.	Sh. Rajneesh Bansal	Member / Managing Director
3.	Sh. Vigyan Prakash Arora	Member / Non-Executive Independent Director

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/2021/06/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. 18,03,87,022/- (Rupees Eighteen Crores Three Lakhs Eighty Seven Thousand Twenty Two Only)

7. **(a) Two percent of average net profit of the company as per section 135(5):-** Rs. 36,07,741/- (Rupees Thirty Six Lakhs Seven Thousand Seven Hundred Forty One Only)

Rounded off to Rs. 36,50,000/- (Rupees Thirty Six Lakhs Fifty Thousands Only) while approving the budget.

(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. 36,50,000/- (Rupees Thirty Six Lakhs Fifty Thousands 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
37,19,330	Not required	Not Applicable	Not Applicable	Not required	Not Applicable

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

1	2	3	4	5		6	7	8	9	10	11	
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
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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.	Covid-19 related assistance & relief	Promoting Health Care	Yes	Chandigarh	Chandigarh	10,00,000	No.	Indian Red Cross Society	--
2.	Covid-19 related assistance & relief	Promoting Health Care	Yes	All India	All India	11,00,000	No	PM CARES Fund (a public charitable trust and a dedicated national fund established by the Central Government)	-
3.	Running Ambulance Service	Promoting Health Care	Yes	Punjab	Barnala	1,10,000	No	Mini Sahara Welfare Club, Tapa Mandi (a Registered Society)	--
4.	Construction of Diagnostic Centre for the purpose of providing free diagnostic services to needy and weaker section of the Society	Promoting Health Care	Yes	Haryana	Panchkula	4,00,000	No	Maharaja Aggarsain Charitable Trust (A Registered Trust)	--
5.	Supply of Fodder, Medicines for Cows and salary of workers in the Cowshed	Animal Welfare	Yes	Punjab	Barnala	80,000	No	Tapasvi Sant Baba Balwant Muni Ji Gaushala,	-

								(a Registered Society)	
6.	Supply of Fodder for Cows	Animal Welfare	Yes	Chandigarh	Chandigarh	43,200	No	Shirdi Sai Samaj (a Registered Trust)	-
7	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	74,100	Yes	-	-
8	Scholarship to Bright and needy Girl Students of DAV School, Sector 7, Chandigarh	Promoting Education	Yes	Chandigarh	Chandigarh	4,71,000	Yes	-	-
9	Renovation of Shri Ram Janambhoomi Temple	Restoration of buildings and sites of historical importance	Yes	Uttar Pradesh	Ayodhya	2,51,000	No	Shri Ram Janambhoomi Teerth Kshetra (a Trust set up by Government of India)	-
TOTAL						35,29,300			

- d. Amount spent in Administrative Overheads: Rs. 1,90,030/-
- e. Amount spent on Impact Assessment, if applicable: Not Applicable
- f. Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 37,19,330
- g. Excess amount for set off, if any: 69,330/-

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	36,07,741/- (Rounded off to Rs. 36,50,000)
(ii)	Total amount spent for the Financial Year	37,19,330/-

(iii)	Excess amount spent for the financial year [(ii)-(i)]	69,330/-
(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)]	69,330/-

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**

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) 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

For & On Behalf of the Board

(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)

(DHARAM PAL SHARMA)
WHOLE TIME DIRECTOR
(DIN 07284332)

PLACE: CHANDIGARH
Date: August 12, 2021

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 copies of the same are 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, 2021.

**Place: CHANDIGARH
Date: 12-08-2021**

**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, Government etc. The Company believes that good corporate governance is essential to attain long term goals and mission of the Company. It is Company's belief that ethics and business go together. The Code of conduct implemented by the Company places high premium on ethics. To ensure governance of high standards, the composition of the Board of Directors of the Company is 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 31-03-2021:-**

Promoter Directors	3
Non-Promoter Directors	5
Executive Directors	2 (One Managing Director, One Executive Director)
Non- Executive Directors	6
Independent Non-Executive Directors	4
Nominee Directors	0
Institution Represented (whether as lender or as equity investor)	0

The strength of Board was 8 (Eight) Directors as on 31st March 2021. The Board consists of 3 Promoter Directors and 5 non-Promoter Directors. Further, the Board consisted of One Managing Director, One Executive Director, Two non-Executive non-independent Directors and Four Non-Executive Independent Directors as on 31st March 2021.

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 2020-21 or even after the close of Financial year upto the date of this report.

The Company as on 31.03.2021 didn't have the position of Chairman, however, w.e.f. 08-06-2021 a Non Executive Chairman has been appointed by the Board of Directors subject to the approval of the Shareholders in the ensuing Annual General Meeting. 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 31.03.2021 is given below:-

1	Mr. Rajneesh Bansal	Promoter, Managing Director
2	Mr. Sandeep Bansal	Promoter, Non-Executive Non Independent Director
3	Mrs. Sarita Rani Bansal	Promoter, Non- Executive Non Independent Director
4	Mr. Dharam Pal Sharma	Designated Whole Time Director
5	Mr. Vigyan Prakash Arora	Non-Executive Independent Director
6	Mr. Ajay Arora	Non-Executive Independent Director
7	Mr. Dilbag Singh Sidhu	Non-Executive Independent Director
8	Mr. Inder Sain Negi	Non-Executive Independent Director

There is no nominee director representing any Institution.

(b) The attendance of each Director at Board Meetings during FY 2020-21 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	Executive (CMD) resigned w.e.f. 31.08.2020. Appointed again as Additional Non Executive Director cum Chairman w.e.f. 08.06.2021	Executive (MD) w.e.f. 01.09.2020	Non Executive Non Independent	Non Executive Non Independent	Non-Executive Independent Director	Non-Executive Independent Director
Board Meetings attended during the year	2	4	4	4	4	4

Attendance at the last AGM held on 29.09.2020	NO	YES	NO	YES	YES	YES
--	----	-----	----	-----	-----	-----

NAME	Ajay Arora	Arjun Pandurang Ghugal	Dharam Pal Sharma	Uma Shankar Paliwal	Inder Sain Negi
CATEGORY	Non-Executive Independent Director	Non-Executive Independent Director (His Term expired on 29.09.2020)	Designated Whole Time Director	Non-Executive Independent Director (Resigned w.e.f. 16.08.2020)	Additional Non-Executive Independent Director (Appointed w.e.f. 12.11.2020)
Board Meetings attended during the year	3	0	4	0	1
Attendance at the AGM held on 29.09.2020	YES	NO	YES	N/A	N/A

c. Number of Other Board of directors or Committees in which a Director is a Member or Chairperson

Name of Director	Directorships			Committee positions in listed and unlisted public limited Companies	
	In listed Companies	In unlisted public limited Companies	In private limited Companies (Including Section 8 Companies)	As Chairperson	As Member
Mr. Rajneesh Bansal	1	2	7	–	3
Mr. Sandeep Bansal	1	-	12	-	1
Mr. Sarita Rani Bansal	1	1	7	–	–
Mr. Vigyan Prakash Arora	1	2	1	4	–
Mr. Dilbag Singh Sidhu	1	–	1	–	1

Mr. Ajay Arora	1	3	-	1	2
Mr. Dharam Pal Sharma	1	-	-	-	-
Mr. Inder Sain Negi	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 in listed companies include directorship in this Entity i.e. Paul Merchants Limited.
3. The above information is as at 31.03.2021.
4. None of the directors holds office as a director, including as alternate director, in more than twenty Companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are 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 companies in which he was a director. For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 have been excluded. For the purpose of determination of limit, chairpersonship and membership of the Audit committee and the Stakeholders' Relationship Committee alone have been considered.

Names of the Listed Entities where the person is a director and the category of directorship as on 31-03-2021:-

Name of Director	Name of the Listed Company	Category of directorship
Sh. Rajneesh Bansal	Paul Merchants Limited	Managing Director (Promoter)
Sh. Sandeep Bansal	Paul Merchants Limited	Non-executive Director (Promoter)
Smt. Sarita Rani Bansal	Paul Merchants Limited	Non-executive 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
Sh. Dharam Pal Sharma	Paul Merchants Limited	Whole Time Director & Designated Director
Sh. Inder Sain Negi	Paul Merchants Limited	Additional Non-executive Independent Director

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

During the Financial year 2020-21, 4 (Four) Board Meetings were held and 1 (One) Independent Directors meeting was held.

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

25-06-2020, 18-08-2020, 12-11-2020 and 11-02-2021

Independent Directors meeting was held on 11-02-2021.

During the year under review, the gap between two meetings did not exceed 120 days as per Regulation 17 (2) of the SEBI (LODR) Regulations, 2015 and Section 173 of the Companies Act, 2013, however due to spread of Covid-19, there was a gap of more than 120 days between the last meeting of Board of Directors in the Financial Year 2019-20 held on 13.02.2020 and the first meeting of Board in the Financial Year 2020-21 held on 25.06.2020, which was duly as per the general extension granted by SEBI as well as Ministry of Corporate Affairs

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

- (i) Mr. Sandeep Bansal and Mr. Rajneesh Bansal, Directors of the Company are real brothers of each other and both are sons of Sh. Sat Paul Bansal* and Mrs. Sarita Rani Bansal.
- (ii) Mrs. Sarita Rani Bansal is the wife of Sh. Sat Paul Bansal* and mother of Mr. Sandeep Bansal and Mr. Rajneesh Bansal.
- (iii) No other directors are related to each other in any manner.

- * Mr. Sat Paul Bansal was the Chairman cum Managing Director of the Company till 31-08-2020, when he resigned from his position. Later, he has been reappointed by the Board as Additional Director and Chairman w.e.f. 08-06-2021 subject to approval by the shareholders in the ensuing AGM.

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

- (i) Shares held by non-executive non-independent directors of the Company:-
 - o Mr. Sandeep Bansal :- He holds nil shares in the Company. He does not hold any shares in the Company on beneficial basis.
 - o Mrs. Sarita Rani Bansal:-She holds 345600 (33.62%) Equity Shares in the Company. She does not hold any shares in the Company on beneficial basis.
 - o 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 been posted on the website of the Company under the web link <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2017/02/FAMILIARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf> and details of familiarisation programme imparted during the FY 2020-21 have been posted under the web link: <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2021/07/FP-imparted-FY-2020-21.pdf>

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

Core skills/expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively	Those actually available with the board
1. Ability to understand Financial Markets especially Forex Markets 2. Ability to understand Regulatory/Statutory framework applicable to the Company 3. Quick decision making	As per the Board, all these skills/expertise/ competencies are available with the Board as per chart given below

<p>4. Understanding of Company's business verticals</p> <p>5. Experience in developing policies and processes relating to corporate governance</p> <p>6. Leaderships skills for guiding the management team</p> <p>7. Ability to formulate long term and short term business strategies</p> <p>8. Ability to understand Financial Statements</p>	
--	--

Names of directors as on 31.03.2021, who have such skills / expertise / competence:-

1. Ability to understand Financial Markets especially Forex Markets	Mr. Rajneesh Bansal, Mr. Sandeep Bansal, Mr Vigyan Prakash Arora, Mr. Ajay Arora, Mr. Dilbag Singh Sidhu, Mr. Dharam Pal Sharma and Mr. Inder Sain Negi
2. Ability to understand Regulatory/Statutory framework applicable to the Company	Mr. Rajneesh Bansal, Mr. Sandeep Bansal, Mr Vigyan Prakash Arora, Mr. Ajay Arora, Mr. Dilbag Singh Sidhu, Mr. Dharam Pal Sharma and Mr. Inder Sain Negi
3. Quick decision making	All the 8 directors of the Company
4. Understanding of Company's business verticals	All the 8 directors of the Company
5. Experience in developing policies and processes relating to corporate governance	Mr. Rajneesh Bansal, Mr. Ajay Arora, Mr Vigyan Prakash Arora and Mr. Inder Sain Negi
6. Leaderships skills for guiding the management team	All the 8 directors of the Company
7. Ability to formulate long term and short term business strategies	Mr. Rajneesh Bansal, Mr. Sandeep Bansal, Mr Vigyan Prakash Arora and Mr. Ajay Arora
8. Ability to understand Financial Statements	Mr. Rajneesh Bansal, Mr. Sandeep Bansal, Mr Vigyan Prakash Arora, Mr. Ajay Arora, Mr. Dilbag Singh Sidhu 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**

During the year under review, Mr. Uma Shankar Paliwal had resigned from the post of Independent Director of the Company on 16-08-2020 whereas his term was upto 30-09-2021. As per confirmation received from him on 18-08-2020, he had resigned on account of his other professional commitments in terms of time and there was no material reason for his resignation from Board of Directors of the Company as an Independent director, other than the provided as above.

There was no other 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:**

AUDIT COMMITTEE

The Audit Committee of the Company has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 (Act) read along with the applicable Rules thereto and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

These Terms of Reference of the Audit Committee have been prescribed in compliance with Section 177 of the Act, applicable Rules thereto and Listing Regulations, as amended from time to time. Any amendment in the said Act/Rules/Regulations at any point of time in future shall be deemed to be incorporated herein automatically

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

Role of Audit Committee

The role of the audit committee shall include the following:

- (1) To investigate, review, approve and to deal with all the matters mentioned in Section 177(4) of the Act, as amended from time to time
- (2) To investigate, review, approve and to deal with all the matters mentioned in Part C of Schedule II to the Listing Regulations, as amended from time to time.
- (3) Audit committee shall oversee the vigil mechanism/Whistle Blower Mechanism and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.
- (4) The audit committee shall review the financial statements of the unlisted subsidiary
- (5) The audit committee shall review the investments made by the unlisted subsidiary
- (6) Audit committee shall review and approve all related party transactions. Audit committee may also grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the conditions as laid down in Regulation 23(3) of the Listing Regulations. The Committee shall approve 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
- (7) To investigate, review, approve and to deal with any other matter mandated under the Act or the Listing Regulations or as assigned by the Board of Directors of the Company, from time to time

The Audit Committee shall mandatorily review the following information:-

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

C. Composition of Audit Committee:-

1. The audit committee shall have minimum three directors as members.
2. At least Two-thirds of the members of audit committee shall be independent directors.
3. 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 Listing Regulations.
4. The chairperson of the audit committee shall be an independent director and he shall be present at Annual general meeting to answer shareholder queries
5. The Company Secretary shall act as the secretary to the audit committee
6. 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

D. Meetings of the audit committee

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

1. 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.
2. 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.
3. 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

b. Composition of Audit Committee:-

As on 31.03.2021, 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 Audit Committee meetings are also attended by Managing Director, Chief Financial Officer, Head of Internal Audit and representatives of Statutory Auditors. The Company Secretary acts as a Secretary of the Committee.

(c) Meetings of Audit Committee and attendance during the year 2020-21

4 meetings of the Audit Committee have been held during the year 2020-21 on the following dates:

24.06.2020, 17.08.2020, 11.11.2020 and 10.02.2021.

The attendance at the Audit Committee Meetings during the Financial Year 2020-21 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. 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) BRIEF DESCRIPTION OF TERMS OF REFERENCE

- a.** To formulate and recommend to the Board, a Nomination and Remuneration Policy of the Company as per the Companies Act, 2013, applicable RBI Guidelines and Regulation 19(4) of 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 31-03-2021:

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

Further, the said Committee was reconstituted by the Board on 08-06-2021 with the following composition w.e.f. 01-07-2021:-

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 2020-21, 4 meetings of the Nomination and Remuneration Committee were held on:

30.05.2020, 29.07.2020, 08.10.2020 and 10.11.2020

The attendance at the Nomination and Remuneration Committee Meetings during the Financial year 2020-21 is given below:

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

(d) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:-

- 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 and cs@paulmerchants.net

Ph. 0172-5041760
Fax – 0172-5041713

(c) Number of shareholders complaints received so far

No shareholder complaint has been received by the Company 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 31-03-2021:-

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

Further, the said Committee was reconstituted by the Board on 08-06-2021 with the following composition w.e.f. 01-07-2021:-

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 2020-21 under review, 4 meetings of the Stakeholders' Relationship Committee were held on:

29.05.2020, 28.07.2020, 21.10.2020 and 19.01.2021

The attendance at the Stakeholders' Relationship Committee Meetings during the Financial year 2020-21 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. Sandeep Bansal	Non- Executive Non Independent Director, Member	4	4
Mr. Rajneesh Bansal	Managing Director, Member	4	4
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 31-03-2020.

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 :-** No Sitting fee was paid to him. 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. Further, Rent was paid to her and to her Sole Proprietary Concern M/s Paul Distributors during the year under review in respect of Two properties, which are belonging to her 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. There is no other pecuniary relationship or transactions of Mrs Sarita Rani Bansal with the Company.

Non-Executive Independent Directors:-

A sum of Rs. 3,47,500/- has been paid to Non Executive Independent Directors as their sitting fee during the year 2020-21 (before TDS) as per details given below:

NAME	SITTING FEE (In Rs.)
Sh. Dilbag Singh Sidhu	67500
Sh. Vigyan Prakash Arora	75000
Sh. Ajay Arora	125000
Sh. Arjun Pandurang Ghugal	50000

Sh. Uma Shankar Paliwal	15000
Sh. Inder Sain Negi	15000
Total	3,47,500

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

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

Shares held by non-executive directors as on 31-03-2021 are given below:

NAME	No. of Shares
Sh. Sandeep Bansal	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
Total	345600

(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 them 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 the executive directors by way of salary or as a %age of Net Profits or by way of both.

Remuneration paid to the past/present executive directors and KMPs of the company during the Financial year 2020-21 is as under:-

Mr. Sat Paul Bansal, Chairman cum Managing Director *

*He served on the Board till 31.08.2020.

Salary:- A sum of Rs. 46,20,000/- had been paid to him @ Rs. 12.00 Lakhs per month in the form of salary during the Financial Year 2020-21 till 31.08.2020. Further, a sum of Rs. 1.20 crores has been paid to him towards final installment of Special Incentive during this Financial Year, which had been approved by the Shareholders of the Company through the process of Postal Ballots dated 16-11-2018.

Commission:- No amount has been paid to him as Commission for the Financial Year 2020-21.

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 was 5 years, however he resigned from his post w.e.f. 31.08.2020

Remuneration period :- 3 years i.e. from 01-04-2019 till 31-03-2022, however he resigned from his post w.e.f. 31.08.2020

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

Severance Fees:- No severance fees was payable to him and as such, no amount was paid to him on this account.

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

Performance Linked Incentive:-

Commission payable to the Chairman cum Managing Director was 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. For the year 2020-21, no amount has been paid to him as Commission as he had resigned w.e.f. 31.08.2020.

Performance Criteria:-

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

No Stock Options has been given to him. As on the date of this report, he holds 5240 (0.51%) shares in the Company. He does not hold any shares in the Company on beneficial basis.

The performance of the Chairman cum Managing Director was evaluated by the Nomination and Remuneration Committee, Board and also by the Independent Directors in their separate Meeting. The criteria for evaluation has been disclosed 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. Sat Paul Bansal in this regard is NIL.

There is no other pecuniary relationship or transactions of Mr. Sat Paul Bansal with the Company during the year under review.

Mr. Rajneesh Bansal, Managing Director

Salary:- Remuneration of Rs. 97,47,500/- has been paid to him @ Rs. 3.50 Lakhs per month till 31.08.2020 as Executive Director and @ Rs. 12.00 Lakhs per month w.e.f. 01.09.2020 as Managing Director of the Company in the form of salary for the Financial Year 2020-21. In addition, rent free accommodation has also been provided to him by the Company valued at Rs. 30,20,543/- for the year under review.

Commission:- A sum of Rs. 32,00,000/- has been paid to him as Commission for the Financial Year 2020-21.

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

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.

No Stock Options has been given to him. He holds 294253 (28.62%) equity shares in the Company as on 31.03.2021. 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 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**.

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. There is no other pecuniary relationship or transactions of Mr. Rajneesh Bansal with the Company.

Sh. Dharam Pal Sharma, Designated Whole Time Director

Salary:- Salary amounting to Rs. 7,37,524/- has been paid to him for the Financial Year 2020-21.

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. 29,988/- and Leave Encashment of Rs. 18,000/- 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 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**.

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

KEY MANAGERIAL PERSONNEL

Mrs. Bhupinder Kaur (CFO)

Salary:- Gross Salary amounting to Rs. 13,19,394/- has been paid to her for the Financial Year 2020-21.

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. 18,333/- has been paid to her during the year under review. 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.

Notice Period:- Her Notice Period is Two months.

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

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

Performance Linked Incentive:-

In addition to the above mentioned salary and other benefits, Performance Bonus of Rs. 50,000/- 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.

No Stock Options has been given to her. She holds 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 is NIL.

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

Mr. Hardam Singh (Company Secretary)

Salary:- Gross Salary amounting to Rs. 22,13,919/- has been paid to him for the Financial Year 2020-21.

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. 72,000/- and Leave Encashment of Rs. 43,200/- 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:- 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 Performance Bonus, a performance linked Incentive of Rs. 5,76,000/- 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 the Company Secretary was evaluated by the Nomination and Remuneration Committee.

No Stock Options has been given to him. He holds NIL equity shares in the Company 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 31-03-2021:-

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

Further, the said Committee was reconstituted by the Board on 08-06-2021 with the following composition w.e.f. 01-07-2021:-

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

During the year under review, 9 meetings of the Executive Committee were held on:

01.06.2020, 28.07.2020, 27.08.2020, 15.09.2020, 08.10.2020, 20.11.2020, 18.12.2020, 14.01.2021 & 01.03.2021

The attendance at the Executive Committee Meetings during the period from 01.04.2020 till 31.03.2021 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Sat Paul Bansal (Resigned w.e.f. 31.08.2020)	Chairman cum Managing Director, Chairman upto 31.08.2020	9	3
Mr. Sandeep Bansal (Remained member of the Committee upto 31.08.2020)	Non-Executive Non Independent Director, Member	9	3
Mr. Rajneesh Bansal (Appointed as Chairman of the Committee w.e.f. 01.09.2020)	Executive Director, Member till 31.08.2020 and thereafter appointed as Managing Director, Chairman w.e.f. 01.09.2020	9	9
Mr. Dharam Pal Sharma (Became member of the Committee w.e.f. 01.09.2020)	Designated Whole Time Director, Member	9	6
Mrs. Sarita Rani Bansal (Became member of the Committee w.e.f. 01.09.2020)	Non-Executive Non Independent Director, Member	9	6
Mr. Hardam Singh	Company Secretary, Secretary to the Committee	9	9

6-B. CORPORATE SOCIAL RESPONSIBILITY

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

COMPOSITION:

Following is the composition of the CSR Committee as on 31-03-2021:

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

The Board reconstituted the CSR Committee w.e.f. 01.07.2021 as below:-

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 2020-21, 4 meetings of the CSR Committee were held on:

28.05.2020, 27.07.2020, 20.10.2020 and 18.01.2021

The attendance at the CSR Committee Meetings during the period from 01.04.2020 till 31.03.2021 is given below:

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

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

CORPORATE SOCIAL RESPONSIBILITY POLICY

INTRODUCTION

For us at Paul Merchants Ltd, 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 –

- i. Demonstrate commitment to the common good through responsible business practices and good governance
- ii. Actively support the state's development agenda to ensure sustainable change
- iii. Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models
- iv. 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.

CSR BUDGET

CSR Committee will recommend the annual budgeted expenditure to the Board for its consideration and approval for any Financial Year in the first meeting of the 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 Companies Act, 2013 read over with Section 2(h) of the Companies (Corporate Social Responsibility Policy) Rules, during the three immediate preceding financial years.
- c. ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively
- d. regularly monitoring the implementation of CSR policy.
- e. disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.
- f. ensuring annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format.
- g. Ensuring that the administrative overheads shall not exceed 5% of total CSR expenditure of the company for the financial year.

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

CSR COMMITTEE

- I. **Composition:** The committee will consist of three or more directors out of which, at least one will be an independent director. The Board can reconstitute the committee in case of any resignation or appointment of any new member.
- II. **The CSR committee will be responsible for:**
 - a. formulating the CSR policy in compliance to Section 135 of the Companies Act, 2013
 - b. identifying activities to be undertaken as per Schedule VII of the Companies Act 2013 .
 - c. recommending to Board the CSR expenditure to be incurred.
 - d. recommending to Board, modifications to the CSR policy as and when
 - e. required.
 - f. regularly monitoring the implementation of the CSR policy
 - g. Formulating and Recommending to the Board an Annual Action Plan on CSR

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.

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 Companies (Corporate Social Responsibility Policy) 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:

1. **Guiding principles for selection of CSR initiatives:-**
 - a. CSR Committee shall recommend to the Board, the activities to be undertaken by the Company.
 - b. The power to approve CSR activities shall vest with the Board of Directors of Paul Merchants Ltd
 - c. All activities will be identified in an objective manner keeping in mind the ultimate beneficiaries and gauging their basic needs. Consultation with the locals like village panchayats and influential people of the area, will also be resorted to, wherever necessary to sense the most critical needs of the area concerned.

- d. CSR initiatives to supplementing the Central/State Govt. Schemes
- e. Preference shall be given to local area where the Company has its operations or has its offices or branches;
- f. The Company shall undertake CSR Activities only in pursuance of its CSR policy and which are listed in Schedule VII of the Companies Act, 2013 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
- g. CSR Projects or programs or activities undertaken in India only shall be accounted as CSR Expenditure
- h. 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.
- i. The Company shall endeavour to maintain transparency in selection, implementation, monitoring and reporting of CSR Activities.

2. Guiding principles for implementation of CSR initiatives:-

- a. 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.
- b. The activities which can be implemented by PML either directly or by engaging Contractors for infrastructural development shall be taken up by PML
- c. 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 [Companies \(Corporate Social Responsibility Policy\) Rules](#) and have relevant experience and good credentials. PML may also collaborate with internationally/nationally reputed Foundations / Organizations.
- d. The Company shall ensure that all the CSR Activities are implemented as per the Annual Action Plan approved by the Board.

3. Guiding principles for monitoring of CSR initiatives:-

- (i) Monitoring of CSR projects shall 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
- (iv) In compliance with the Act and to ensure that funds spent on CSR programmes are creating the desired impact on the ground, a comprehensive Monitoring and Reporting framework will be put in place, wherein the expenditure heads, geography covered, periodicity and distribution of expenditure over various heads will be monitored on regular basis.
- (v) the Board of Directors 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

4. Guiding principles for formulation of the 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.

**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:

YEAR	2018	2019	2020
Type of Meeting	AGM	AGM	AGM
Date	27.09.2018	30.09.2019	29.09.2020
Venue	Forever Banquet, 20, Paschim Vihar Extension, Metro Pillar No. 193, Opp. Ordinance Depot, New Delhi – 110063	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”)
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 2018

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

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.
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

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

No Special Resolution passed through Postal Ballot during FY 2020-21.

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

Not applicable.

(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 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. 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.

(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 29th day of September, 2021, Time:- At 12.00 Noon, Venue:- The Company is conducting the meeting through VC / OAVM pursuant to the MCA 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 and SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January, 2021 and Circular 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 37 th AGM shall be the Registered Office of the Company.																																										
b.	Financial year	1 st April, 2020 to 31 st March, 2021																																										
c.	Dividend Payment Date	N/A																																										
d.	Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001. Listing Fee for the year 2021-22 has already been paid to BSE.																																										
e.	Stock Code	539113																																										
f.	Market Price Data: High, Low during each month in last financial year	<table border="1"> <thead> <tr> <th colspan="3">PAUL MERCHANTS LIMITED</th> </tr> <tr> <th>Month</th> <th>High Price</th> <th>Low Price</th> </tr> </thead> <tbody> <tr><td>Apr-20</td><td>924.95</td><td>711.00</td></tr> <tr><td>May-20</td><td>949.00</td><td>740.00</td></tr> <tr><td>Jun-20</td><td>1,350.00</td><td>770.00</td></tr> <tr><td>Jul-20</td><td>1,109.95</td><td>901.00</td></tr> <tr><td>Aug-20</td><td>1,948.00</td><td>976.00</td></tr> <tr><td>Sep-20</td><td>1,580.00</td><td>976.00</td></tr> <tr><td>Oct-20</td><td>1,400.00</td><td>1,099.00</td></tr> <tr><td>Nov-20</td><td>1,378.00</td><td>1,025.10</td></tr> <tr><td>Dec-20</td><td>1,549.00</td><td>1,178.00</td></tr> <tr><td>Jan-21</td><td>1391.00</td><td>1,207.00</td></tr> <tr><td>Feb-21</td><td>1,469.90</td><td>1,206.00</td></tr> <tr><td>Mar-21</td><td>1,300.00</td><td>989.00</td></tr> </tbody> </table>	PAUL MERCHANTS LIMITED			Month	High Price	Low Price	Apr-20	924.95	711.00	May-20	949.00	740.00	Jun-20	1,350.00	770.00	Jul-20	1,109.95	901.00	Aug-20	1,948.00	976.00	Sep-20	1,580.00	976.00	Oct-20	1,400.00	1,099.00	Nov-20	1,378.00	1,025.10	Dec-20	1,549.00	1,178.00	Jan-21	1391.00	1,207.00	Feb-21	1,469.90	1,206.00	Mar-21	1,300.00	989.00
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g.	Performance in comparison to broad-based indices such as BSE Sensex,	<table border="1"> <thead> <tr> <th colspan="3">PAUL MERCHANTS LIMITED</th> <th colspan="3">SENSEX</th> </tr> <tr> <th>Month</th> <th>High Price</th> <th>Low Price</th> <th>Month</th> <th>High Price</th> <th>Low Price</th> </tr> </thead> <tbody> <tr> <td>Apr-20</td> <td>924.95</td> <td>711.00</td> <td>Apr-20</td> <td>33,887.25</td> <td>27,500.79</td> </tr> </tbody> </table>	PAUL MERCHANTS LIMITED			SENSEX			Month	High Price	Low Price	Month	High Price	Low Price	Apr-20	924.95	711.00	Apr-20	33,887.25	27,500.79																								
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	CRISIL index etc.	May-20	949.00	740.00	May-20	32,845.48	29,968.45
		Jun-20	1,350.00	770.00	Jun-20	35,706.55	32,348.10
		Jul-20	1,109.95	901.00	Jul-20	38,617.03	34,927.20
		Aug-20	1,948.00	976.00	Aug-20	40,010.17	36,911.23
		Sep-20	1,580.00	976.00	Sep-20	39,359.51	36,495.98
		Oct-20	1,400.00	1,099.00	Oct-20	41,048.05	38,410.2
		Nov-20	1,378.00	1,025.10	Nov-20	44,825.37	39,334.92
		Dec-20	1,549.00	1,178.00	Dec-20	47,896.97	44,118.1
		Jan-21	1391.00	1,207.00	Jan-21	50,184.01	46,160.46
		Feb-21	1,469.90	1,206.00	Feb-21	52,516.76	46,433.65
		Mar-21	1,300.00	989.00	Mar-21	51,821.84	48,236.35
		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, 1E/13, Jhandewalan Extn. 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 half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchange. W.e.f. 05.05.2021, this certificate is now required to be filed with Stock Exchange on Annual basis.</p> <p>Till 01-04-2019 the share transfers, which were received in physical form, were processed and the share certificates returned within a period of 15 days from the date of receipt by the RTA, subject to documents being valid and complete in all respects. The SEBI Circular dated 08-06-2018, amending thereby the SEBI LODR Regulations to provide for prohibition of Transfer of Shares in Physical form after 01-04-2019 has already been brought to the notice of the Shareholders.</p> <p>All requests for dematerialization of shares are processed and the confirmation is given to the Depositories within 21 days by RTA subject to documents being valid and complete in all respects. Grievances received from Members are immediately attended to and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar within 15 days. Stakeholders' Relationship Committee also looks into the Investors Grievances, if there is any.</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.</p>		
k.	Distribution of Shareholding	As per <u>Annexure- G-1</u>		
l.	Dematerialization of shares and liquidity	Liquidity: - A total number of 10,09,150 Equity Shares of the Company constituting 98.17% of the issued, subscribed and paid-up share capital were held in dematerialized form as on March 31, 2021 and as such, there is sufficient liquidity in the stock.		
m.	Outstanding Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs)/ Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments till date.		
n.	Commodity price risk or foreign exchange risk and hedging activities	<p>The Company is not a sizable user of commodities, hence exposes itself moderately to the price risk on account of procurement of commodities. The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/ 0000000141 dated November 15, 2018.</p> <p>The exposure to foreign exchange risk is limited to stock of Foreign Exchange held in the branch offices of the Company and unsettled transactions at the Central treasury which are adequately covered in advance with Banks or other FFMCs. All the Forex Transactions are being covered under the CASH / TOM / SPOT covering.</p>		
o.	Plant Locations	The Company is in service Industry and had 71 own offices as on 31-03-2021. The list of the said offices is appended to this Annual Report in the beginning.		
p.	Address for correspondence	The Company Secretary, PML House, SCO 829-830, Sector 22-A, Chandigarh – 160022 Ph. 0172-5041792, 5041760, Fax 0172-5041713 email: cs@paulmerchants.net		
q.	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or	Instrument/Facility	Amount (INR Crore)	Rating Assigned (by Infomeric Valuation and Rating Pvt Ltd. a SEBI registered Credit Rating Agency)
		Long Term Bank Facility – Cash Credit	8.00	IVR A/Stable Outlook (IVR Single A with Stable Outlook)
		Short Term Bank Facility– Bank Guarantee	2.00	IVR A1 (IVR Single A One)

	any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	Proposed Short Term Bank Facilities	0.80	IVR A1 (IVR Single A One)
		Total	10.80	
r.	Date of Book closure	15-09-2021 to 21-09-2021 (both days inclusive)		
s.	ISIN	INE 291 E 01019		

ANNEXURE – G-1

(a) **Distribution of Shareholding (No. of Shares) as on March 31, 2021 is as under :-**

No. of Shares	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Holding
1-500	1419	95.43	37552	3.65
501-1000	25	1.68	19391	1.89
1001-2000	15	1.01	25348	2.47
2001-3000	8	0.54	21446	2.09
3001-4000	8	0.54	29951	2.91
4001-5000	4	0.27	19764	1.92
5001-10000	2	0.13	11240	1.09
10001 and above	6	0.40	863308	83.98
Total	1487	100.00	1028000	100.00

Note: Shareholding of the shareholders having common PAN and Folio no. have been consolidated.

Shareholding Pattern as on 31st March, 2021:-

Category	No. of Shares held
Promoters	747448
Institutional Investors	0
Mutual Funds & UTI	0
Banks, Financial Institutions and Insurance Companies	7
FII's	0
Others	0
Private Corporate Bodies (Including clearing member)	1565
Indian Public	277506

NRIs/QCBs	1474
Trust	0
Total	10,28,000

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:-
 - a. In respect of Wholly Owned Subsidiary Company Paul Merchants Finance (P) Ltd.:-

Sr. No.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company (Paul Merchants Limited)	<ul style="list-style-type: none"> • Loans and advances in the nature of loans to subsidiaries by name and amount. • Loans and advances in the nature of loans to associates by name and amount. • Loans and advances in the nature of loans to firms/companies in which <p>Wholly Owned Subsidiary Company Paul Merchants Finance (P) Ltd</p> <p>Outstanding as on 31 March 2021 Rs 1,37,88,50,103/-</p> <p>Max Outstanding during the year Rs. 1,44,71,50,101 /-</p> <p>NIL</p>

		directors are interested by name and amount	NIL
2	Subsidiary	<ul style="list-style-type: none"> • Loans and advances in the nature of loans to Holding Companies by name and amount. • Loans and advances in the nature of loans to associates by name and amount. • Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount 	<p>NIL</p> <p>NIL as the Company has no Associate Company</p> <p>Erisha Infratech LLP Outstanding as on 31 March 2021 is Nil</p> <p>Max Outstanding during the year Rs. 2,08,28,493/-</p> <p>Paul Instacred P Ltd. Outstanding as on 31 March 2021 Rs 6,00,000/-</p> <p>Max Outstanding during the year Rs. 6,20,325/-</p>
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	NIL

b. In respect of Wholly Owned Subsidiary Company PML Realtors (P) Ltd.:-

Sr. No.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company (Paul Merchants Limited)	<ul style="list-style-type: none"> • Loans and advances in the nature of loans to subsidiaries by name and amount. NIL • Loans and advances in the nature of loans to associates by name and amount. NIL • Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount NIL
2	Subsidiary	<ul style="list-style-type: none"> • Loans and advances in the nature of loans to Holding Companies by name and amount. NIL • Loans and advances in the nature of loans to associates by name and amount. NIL as the Company has no Associate Company • Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount Paul Merchants Finance (P) Ltd Outstanding as on 31 March 2021 Rs. 10,75,95,000/- Max Outstanding during the year Rs. 10,75,95,000/- Paul Tech Park LLP Outstanding as on 31 March 2021 Rs. 4,26,125/-

			Max Outstanding during the year Rs. 4,26,125/-
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	NIL

Further reference in this regard can be made to Note no. 41 of the Balance sheet and **Annexure D-5** to the Directors Report, which is a part of this Annual Report.

Further, 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/2021/08/Related-Party-Transactions-Policy-12-08-2021.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 31st March, 2021, there was no Chairman of the Board. The Board of Directors has appointed Mr. Sat Paul Bansal as the Non Executive Chairman of the Board on 08.06.2021 subject to the approval of the Shareholders of the Company in the ensuing Annual General Meeting. His office will be maintained at the company's expense and will also be allowed reimbursement of expenses incurred in performance of his duties.

2. Shareholder Rights

Since the Company publishes its Quarterly, Half yearly and Annual Results in Newspapers (English and Hindi) having wide circulation, the results are also displayed on the website of the Company and the BSE Ltd., and the Annual Report of the Company is sent to each shareholder through permitted mode, the Company does not send any declaration of half yearly performance to each household of shareholders.

3. Modified Opinion(s) in the Audit Report

There are no Audit qualifications/Modified Opinion on the Financial Statements of the Company for the year 2020-21 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. Reporting of Internal Auditor

At the moment, the reporting of the internal Audit is not directly to the Audit Committee however, the significant findings of the internal audit are placed before the Audit Committee on regular basis and other SEBI Regulations regarding Internal Audit are duly followed by the Company. Performance of the Internal Audit department is also reviewed by the Audit Committee.

(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/2021/08/Related-Party-Transactions-Policy-12-08-2021.pdf>

(g) **Disclosure of commodity price risks and commodity hedging activities**

The Company is not a sizable user of commodities, hence exposes itself moderately to the price risk on account of procurement of commodities. As such, no commodity hedging activities are undertaken by the Company. The Company has adequate risk assessment and minimization 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/2018/000000141 dated November 15, 2018.

Further, the exposure to foreign exchange risk is limited to stock of Foreign Exchange held in the branch offices of the Company and unsettled transactions at the Central treasury which are adequately covered in advance with Banks or other 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 2020-21, 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 2020-21 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	1,50,000 plus GST (For GST Audit) *
Paul Merchants Finance (P) Limited	65,000 plus GST	NIL
PML Realtors (P) Limited	25,000 plus GST	NIL

*The amount has been paid to the previous Auditors during the year under review and it pertains to the FY 2019-20.

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

(I) Disclosures In Relation To The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013:-

- a. Number of complaints filed during the financial year - **NIL**
- b. Number of complaints disposed of during the financial year - **NIL**
- c. Number of complaints pending as on end of the financial year - **NIL**

11. Non-compliance of any requirement of Corporate Governance report of sub paras (2) to (10) of Part C of Schedule V, with reasons thereof

There is no non-compliance of any of the said requirements.

12. Adoption of Discretionary requirements as specified in Part E of Schedule II.

As given above under para (d) of 'Other Disclosures'

13. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations

The Board do hereby confirm that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations and all these details have been given in the section on Corporate Governance as above. The Company has made all the disclosures on its website www.paulmerchants.net as required under regulation 46 (2) of SEBI (LODR) Regulations.

D. CEO DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

The Managing Director of the Company has issued a Declaration that the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management. As there is no Chief Executive Officer in

the Company, this Declaration has been issued by the Managing Director of the Company. The Declaration is appended to this Report at the end of this Report. This Declaration has been given as **Annexure D-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 Disclosure

(i) Reconciliation Of Share Capital Audit

A reconciliation of Share Capital Audit was carried out by a qualified practicing Company secretary on quarterly basis for 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 <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/05/PML-Code-of-Fair-Disclosure-07.02.2019.pdf>. These Codes lay down guidelines vide which it advises the

designated Persons and connected people on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and caution them of the consequences of violations.

(iii) **Material Subsidiaries**

The Company has one material subsidiary in the name of Paul Merchants Finance (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 Sandeep Bansal (DIN 00094391), Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Inder Sain Negi (DIN 08947230), who 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. 12-11-2020, is proposed to be appointed as a Non Executive Independent Director of the Company in the ensuing Annual General Meeting.

Mr. Jeewan Lal Negi (DIN 09166359), who 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, is proposed to be appointed as a Non Executive Independent Director of the Company in the ensuing Annual General Meeting.

Mr. Sat Paul Bansal (DIN: 00077499), who was appointed as an Additional Director and Chairman of the Board by the Board of Directors of the Company w.e.f. 08-06-2021, is proposed to be appointed as a Non Executive Director and Chairman of the Board in the ensuing Annual General Meeting.

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 @ <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, 2021. 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 and one level below, material legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters.

(viii) Proceeds from public issues, rights issues, preferential issues, etc.

During the year under review, no money has been raised by the Company by way of Public Issues, Rights Issues, Preferential Issues Etc.

(ix) Management Discussion & Analysis Report:

Management Discussion & Analysis Report forms part of the Annual Report and include discussions on various matters specified under Part B of Schedule V to the SEBI (LODR) Regulations, 2015. The report has already been given as **Annexure D-3** to the Directors' Report.

(x) Annual Secretarial Compliance Report

SEBI vide its circular dated 8th February, 2019 mandated all the listed entities to obtain Annual Secretarial Compliance Report from the Company Secretary in practice on compliance with all applicable SEBI Regulations and circulars / guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report (Form MR – 3) and has now been included in the Regulation 24A itself. 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 2020-21. A copy of the said Annual Secretarial Compliance Report is enclosed in this Annual Report as **Annexure-D-16**. The report is unqualified. The observations in the aforesaid report are self-explanatory and therefore, the Board of Directors do not have any further comments to offer on the same.

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

(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)

(DHARAM PAL SHARMA)
WHOLE TIME DIRECTOR
(DIN 07284332)

PLACE: CHANDIGARH
Date: August 12, 2021

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 – WHISTLEBLOWERS

- I. Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- II. Avoid anonymity when raising a concern.
- III. Follow the procedures prescribed in this policy for making a Disclosure
- IV. Co-operate with investigating authorities, maintaining full confidentiality

- V. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action
- VI. A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation
- VII. Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed
- VIII. In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Whistle Committee, he/she can make a direct appeal to the CMD of the Company or the Audit Committee

9. ACCOUNTABILITIES – OMBUDSMAN AND WHISTLE COMMITTEE

- i. Conduct the enquiry in a fair, unbiased manner
- ii. Ensure complete fact-finding
- iii. Maintain strict confidentiality
- iv. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- v. Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- vi. Minute Committee deliberations and document the final report

10. RIGHTS OF A SUBJECT

- i. Subjects have right to be heard and the Ombudsman or the Committee must give adequate time and opportunity for the subject to communicate his/her stand on the matter
- ii. Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/investigation process

11. MANAGEMENT ACTION ON FALSE DISCLOSURES

An employee/person who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure or intimation by him and for legitimate reasons or cause under Company rules and policies.

12. PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

The procedure as per Annexure will be followed.

13. ACCESS TO REPORTS AND DOCUMENTS

All reports and records associated with 'Disclosures' are considered confidential information and access will be restricted to the Whistleblower, the Whistle Committee and Ombudsman. 'Disclosures' and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

14. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 03 years from the date of conclusion of the investigation.

15. REPORTS

A periodical status report on the total number of complaints received during the period, with summary of the findings of the Whistle Committee and the corrective actions taken will be sent to the Audit Committee as well as Board of Directors of the Company. The contents of this Policy will be displayed by the Company on its Website and will also be included in the Directors Report.

16. COMPANY'S POWERS

The Company is entitled to amend, suspend or rescind this policy at any time. Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed to or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy and the applicable Law. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance. The Audit Committee shall review the policy and its implementation on regular basis.

ANNEXURE**PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES****1. How should a Disclosure be made and to whom?**

A disclosure should be made in writing. Letters can be submitted by hand delivery, courier or by post addressed to the Ombudsman appointed by the Company. Emails can be sent to the email id: ombudsman@paulmerchants.net.

However, Disclosures against any employee of HOD cadre or the Business Heads or the Executive Directors should be sent directly to the Chairman of Audit Committee of the Company on his email id: vigyan@vigyanarora.com.

2. Is there any specific format for submitting the Disclosure?

While there is no specific format for submitting a Disclosure, the following details MUST be mentioned:

- a) Name, address and contact details of the Whistleblower (add Employee ID if the Whistleblower is an employee).
- b) Brief description of the Malpractice, giving the names of those alleged to have committed or about to commit a Malpractice. Specific details such as time and place of occurrence are also important. Documentary evidence, wherever possible, should be appended.

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)**

For & On Behalf of the Board

**(DHARAM PAL SHARMA)
WHOLE TIME DIRECTOR
(DIN 07284332)**

PLACE: CHANDIGARH
Date: August 12, 2021

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 31st March, 2021, 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: 06.08.2021
Place: Chandigarh

UDIN: F005901C000747554

SD/-
Kanwaljit Singh Thanewal
Company Secretary
M. No. 5901
C.P.No. 5870

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

Rule	PARTICULARS		
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21.	NAME OF DIRECTOR	RATIO
		Mr. Sat Paul Bansal	54:1
		Mr. Rajneesh Bansal	52:1
		Mr. Dharam Pal Sharma	3 :1
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2020-21.	NAME OF DIRECTOR/KMP	PERCENTAGE INCREASE
		Mr. Sat Paul Bansal, Chairman cum Managing Director (CMD) till 31 Aug 2020) *	-59%
		Mr. Rajneesh Bansal, Executive Director (till 31 Aug 2020 and Managing Director w.e.f. 1 st Sep 2020) #	67%
		Mr. Dharam Pal Sharma, Whole Time Director	-1%
		Ms. Bhupinder Kaur, CFO !	-11.20%
		Mr. Hardam Singh, Company Secretary !	-9.40%
		<p>* The change took place due to resignation by CMD w.e.f. 31.08.2020, payment of installment of Special Incentive to him of Rs 1.20 Crore as compared to Rs. 2.4 Crore in the previous year and his voluntary forgoing of a portion of his salary because of falling revenues of the Company due to Covid 19.</p> <p># The change took place due to change in designation and enhanced portfolio of Mr. Rajneesh Bansal from Executive Director to Managing Director and consequent increase in his salary from Rs. 3.5 Lakhs per month to Rs. 12 Lakhs per month effective 1st Sep 2020. Commission of Rs 32 Lakhs in the year under review, which is computed on the basis of profits vis a vis Rs. 24 Lakhs in the previous year. He also forgone a portion of his salary because of falling revenues of the Company due to Covid 19.</p> <p>! The change in the remuneration of CFO and CS is on the basis of remuneration actually paid to them for the Financial Year 2020-21 (before TDS). Otherwise on the basis of rate of remuneration,</p>	

		there is no change in their remuneration for the year under review and the previous year. Further, there is no CEO in the Company.
(iii)	The percentage increase in the median remuneration of employees in the financial year.	NIL. Due to Covid impact on operations, no salary increments were done during the year under review.
(iv)	The number of permanent employees on the rolls of the company.	313
(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	There is no average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year under review due to falling revenues of the Company due to Covid 19. There is no increase in the overall Managerial remuneration also, however, Remuneration of Mr. Rajneesh Bansal increased by 67% due to change in his designation and enhanced portfolio in the capacity of Managing Director of the Company. The said remuneration was duly approved by the Shareholders of the Company.
(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 Annexure D-11A , which forms part of this report.

For & On Behalf of the Board

For & On Behalf of the Board

(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)

(DHARAM PAL SHARMA)
WHOLE TIME DIRECTOR
(DIN 07284332)

PLACE: CHANDIGARH
Date: August 12, 2021

Annexure D-11A

Sr.No.	Information	Details				
		1	2	3	4	5
1	Name of Employee	Hardam Singh	Ritesh Vaid	Manish Sharda	Shweta Srivastava	M V Nageswara Rao
2	Designation of the Employee	Company Secretary	National Sales Head	Assistant Vice President	Chief Technical Officer	Senior Area Manager
3	Remuneration Received (Rs)	2905119/-	2052380/-	1121441/-	1376136/-	993780/-
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	CS, MBA & 23 Years Experience	MBA & 21 years Experience	B.com. & 25 Years Experience	PGDM – IT & 19 years Experience	M.Com & 22 Years
6	Date of commencement of employment	02-Jun-03	01-Oct-08	1-Nov-10	1-Aug-17	14-May-09
7	The age of such employee	47 Years	44 Years	45 Years	42 Years	46 Years
8	The last employment held by such employee before joining the company	Eider Infotech Ltd	Wall Street Finance (P) Ltd	HDFC Bank Ltd.	Savexpress Pvt Ltd.	TT Forex
9	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of rule 5(2)	Nil	Nil	Nil	Nil	Nil
10	Whether any such employee is a relative of any director or manager of the company and if so,	No	No	No	No	No

	name of such director or manager:					
11	DOB	21-Jun-74	15-Nov-76	02-Jan-76	26-Jun-79	27-Mar-75

Sr.No.	Information	Details	Details	Details	Details	Details
		6	7	8	9	10
1	Name of Employee	Rajni	Bhupinder Kaur	Vijay Kumar	Sandeep Kumar Poonia	Ravi Kumar Rohilla
2	Designation of the Employee	Senior Area Manager	Chief Financial Officer	Zonal Manager	General Manager	General Manager
3	Remuneration Received (Rs.)	948947/-	1387727/-	886202/-	1078706/-	1035531/-
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	M.A (Music), MBA Pursuing & 13 Years	CA & 12 years Experience	B,Com (20 years)	BBA (16 years)	BA 24 years
6	Date of commencement of employment	30-Nov-15	7 Feb-2019	2-Dec-13	1-May-19	7-Jun-19
7	The age of such employee	38 Years	36 Years	40 Years	35 Years	45 Years
8	The last employment held by such employee before joining the company	VKC Forex Ltd.	Punjab Communications Ltd	Centrum Capital Ltd	Matrix Forex Services Pvt. Ltd.	EBIXCASH WORLD MONEY LIMITED
9	The percentage of equity shares held by the employee in the company within the	Nil	Nil	Nil	Nil	Nil

	meaning of clause (iii) of rule 5(2)					
10	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	No	No	No	No	No
11	DOB	15-Apr-83	8-Aug-84	21-Apr-81	1-Jan-86	1-Jan-76

NOTE:

1. The above information is as on 31-03-2021
2. Gross remuneration shown above is subject to tax and salary including arrears, allowances, Perquisites, Incentives, leave encashment, Bonus, provident fund, in terms of actual expenditure incurred by the Company and commission.
3. 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
4. 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
5. 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

For & On Behalf of the Board

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

**(DHARAM PAL SHARMA)
WHOLE TIME DIRECTOR
(DIN 07284332)**

PLACE: CHANDIGARH

Date: August 12, 2021

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

1	Sl. No.	1	2
2	Name of the subsidiary	Paul Merchants Finance Private Limited	PML Realtors Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Different	Not Different
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not applicable	Not applicable
5	Share capital	31,01,71,750	25,00,00,000
6	Reserves & surplus	1,31,20,60,819	1,12,45,674
7	Total assets	3,95,79,70,203	26,34,30,565
8	Total Liabilities	2,33,57,37,634	21,84,891
9	Investments	-	-
10	Turnover	62,73,16,043	11,00,00,000
11	Profit before taxation	26,61,00,181	1,06,66,134
12	Provision for taxation	6,82,78,078	20,62,841
13	Profit after taxation	19,78,22,103	86,03,293
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.1,24,06,870/- for the FY 2020-21

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	31-12-2020	31-03-2021	31-03-2021
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. 3,04,72,125*	NIL	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	Rs. (47,36,385)	NIL	NIL
6	Profit / (Loss) for the year			
	i. Considered in Consolidation (upto cost of investment as per IND AS)	(Rs. 43,15,685.06)	(Rs. 45930)	(Rs. 2690)
	ii. Not Considered in Consolidation	(Rs. 3,52,32,185.83)	(Rs. 93253)	(Rs. 2690)

*During the year, the Company has provided for impairment in value of its investment in Malaysian Joint Venture Horizon Remit Sdn. Bhd. amounting to Rs 304.72 Lakhs. This impairment has 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 in the year 2020 as a result of which the JV has continued to incur significant losses. The entire cost of investment has been recognised as impairment loss as the net recoverable amount after adjusting for costs of disposal associated with the investment is evaluated to be Nil basis financial statements of the JV.

- Names of associates or joint ventures which are yet to commence operations – During the year the Company has entered into partnership with M/s Espranza Innovations (P) Ltd in the LLP named Paul Tech Park LLP. This LLP has been considered to be as Joint Venture within the meaning of IND AS 110 and also within the meaning of “Associate Company” as per Section 2(6) of the Companies Act, 2013. The said LLP is yet to commence operations.
- During the year under review the Company has become partner in the LLP named Paul Tech Park LLP. The Company holds 50% share in the said LLP as on 31st March, 2021 and the other partner in the said LLP is M/s Espranza Innovations (P) Ltd. This LLP has been considered to be a Joint Venture within the meaning of IND AS 110 and also within the meaning of “Associate Company” as per Section 2(6) of the Companies Act, 2013.
- Names of associates or joint ventures which have been liquidated or sold during the year. NIL
- There is no other Associate or Joint Venture Company.
- Amount of Investment in Joint Venture has been taken at cost.
- Conversion rate as on 31 March, 2021 has been taken as Rs. 17.59 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

(DHARAM PAL SHARMA)
WHOLE TIME DIRECTOR
(DIN 07284332)

For & On Behalf of the Board

(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)

HARDAM SINGH
COMPANY SECRETARY
FCS-5046

BHUPINDER KAUR
CHIEF FINANCIAL OFFICER
FCA-508485

PLACE: CHANDIGARH
Date: August 12, 2021

Annexure D-13

CEO AND CFO CERTIFICATE

To

The Board of Directors,
Paul Merchants Limited,
SCO 829-830, Sector 22-A,
Chandigarh

Date: June 8th, 2021

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 31.03.2021 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/-

Bhupinder Kaur
(Chief Financial Officer)
PAN- ABCPK2505K

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, 3rd Floor,
DLF Tower, 15, Shivaji Marg,
Najafgarh Road,
New Delhi-110015**

**Corp. Office: SCO 829-830, Sector 22-A,
Chandigarh**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Paul Merchants Limited having CIN: L74900DL1984PLC018679 and having registered office at DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi-110015 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of appointment In Company
1.	Shri. Sat Paul Bansal**	00077499	27-09-1990
2.	Shri. Rajneesh Bansal	00077230	27-02-1999
3.	Sh. Dharam Pal Sharma	07284332	09-11-2015
4.	Shri. Sandeep Bansal*	00094391	18-09-1993
5.	Smt. Sarita Rani Bansal	00094504	31-01-2012
6.	Shri. Dilbag Singh Sidhu	05210193	26-02-2012
7.	Shri. Vigyan Prakash Arora	00806647	01-04-2010
8.	Shri Ajay Arora	00314161	27-05-2014
9.	Shri Arjun Pandurang Ghugal**	02414741	25-10-2014
10.	Shri Uma Shankar Paliwal**	06907963	29-05-2017
11.	Shri Inder Sain Negi	08947230	12-11-2020

**It may be noted that Director Identification Number (DIN) 00094391 of Sh. Sandeep Bansal had been deactivated by the Ministry of Corporate Affairs w.e.f. 01.11.2017 due to the default committed by M/s Chandigarh Network Systems Private Limited, in filing the financial statements and annual returns with Registrar of Companies, which is not a group Company of Paul Merchants Limited. Pursuant to the Writ Petition filed by Sh. Sandeep Bansal before the Hon'ble High Court of Punjab and Haryana, his disqualification as director has been stayed by the High Court vide its interim order dated 19-03-2019 and his DIN has also been activated.*

- ** *Shri Sat Pal Bansal resigned from the office of Chairman and Managing Director of the company with effect from 31.08.2020. He was subsequently appointed as an additional Director by the Board of directors of the company w.e.f. 08.06.2021.*
- ** *Shri Arjun Pandurang Ghugal ceased to be a director of the company w.e.f. 29.09.2020 upon completion of his existing tenure as Independent director.*
- ** *Shri Uma Sharkar Paliwal ceased to be a director of the company on account of his resignation w.e.f. 16.08.2020.*

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express my opinion on these matters based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chandigarh
Date : 06.08.2021

UDIN: F005901C000747576

Sd/-
Name: Kanwaljit Singh Thanewal
Membership No.: F5901
CP No. 5870

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**

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 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 1st April 2020 to 31st March, 2021, the Company has complied with Guidelines issued by Reserve Bank of India from time to time on KYC/AML/CFT.

It is also certified that the Internal Control and Concurrent Audit of the Company is satisfactory.

The above certificate is issued at the request of Company after performance of test check procedures and examination of records produced before us for our verification during the course of our Statutory audit for the year ended 31st March 2021.

**For RAJIV GOEL AND ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-

**(CA DHRUV GOEL)
PARTNER
M. No. 549569**

UDIN: 21549569AAAAMN4450

**Place: Chandigarh
Date:- 10.08.2021**

Annexure-D-16

**Secretarial compliance report of Paul Merchants Limited
for the year ended March 31, 2021**

To,

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

I, Kanwaljit Singh Thanewal, Company Secretary, have examined:

- (a) all the documents and records made available to us and explanation provided by Paul Merchants Limited (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2021 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: Not applicable to the company during the Review Period.
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not applicable as there was no instance of Buy-Back of its securities during the Review Period.
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: Not Applicable as no Share Based Employee Benefits were provided during the review period;

- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable as the company has not issued any debt securities during the Review Period.
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013: Not applicable as the company has not issued any such securities during the Review Period.
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018

and circulars/ guidelines issued thereunder. Further in terms of SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 in respect of Resignation of statutory auditors from listed entities and their material subsidiaries, the listed entity has suitably incorporated the terms of appointment of the auditors appointed during the review period, to give effect to clause 6(A) and 6(B) of the said circular.

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions
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		report for the year ended... (The years are to mentioned)		taken by the listed entity
Not Applicable				

Date: 28.05.2021
Place: Chandigarh

UDIN: F005901C000385379

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, 2021, 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 then 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, 2021, 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 Results 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 results 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 Results

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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, 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 Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, 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 results 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 results, including the disclosures, and whether the financial results 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

During the year, the Company has provided for impairment in value of its investment in Malaysian Joint Venture (JV), Horizon Remit Sdn. Bhd, amounting to Rs 304.72 Lakhs in separate financial statements due to significant financial difficulties faced by the said JV. Resultantly, entire carrying amount of the investments in separate financial statements has been impaired as net recoverable amounts after adjusting for costs of disposal associated with the investment were estimated to be Nil. Further, the company has estimated and recognized a contingent liability equivalent to expected cost of disposal of its investment since the same is subject to regulatory approvals. 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, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
 - c. The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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.

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

**Sd/-
(ROHIT GOEL)
PARTNER
M. No. 091756
UDIN: 21091756AAAACA4129**

**Date: 8th June 2021
Place: Chandigarh**

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, 2021:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no discrepancies between the books records and the physical fixed assets have been noticed.

(c) According to information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of company as at balance sheet date. . In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the company.
- ii. (a) The management has conducted the physical verification of inventory at reasonable intervals.

(b) No discrepancies noticed on physical verification of the inventory as compared to books records.
- iii. According to information and explanation given to us, the company has granted unsecured loan 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 2021 was 13788.50 Lacs.

a) 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 loans granted by the Company are not prejudicial to the interest of the Company.

- b) The aforesaid loans are repayable on demand. Accordingly, provision of Clause 3(iii) (b) and (c) of the Order are not applicable to the company.
- 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, 2021 for a period of more than six months from the date on when 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".
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year.

Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. In our Opinion and according to information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them during the year. Hence provisions of section 192 of the companies Act, 2013 are not applicable.

xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

**Sd/-
(ROHIT GOEL)
PARTNER
M. No. 091756
UDIN: 21091756AAAACA4129**

**Date: 8th June 2021
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, 2021 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, 2021, 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: 21091756AAAACA4129**

**Date: 8th June 2021
Place: Chandigarh**

PAUL MERCHANTS LTD
STANDALONE BALANCE SHEET AS ON 31ST MARCH 2021

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	As on 31.03.2021	As on 31.03.2020
ASSETS			
(1) Non-Current Assets			
a) Property, Plant and Equipment	1	59,27,90,564	62,09,61,331
b) Intangible Assets Under Development		19,60,000	-
c) Financial Assets			
i) Investments	2	1,65,76,27,264	1,68,80,99,389
ii) Others	3	53,16,306	70,88,408
d) Deferred Tax Assets (Net)	4	2,15,55,020	2,27,89,781
(2) Current Assets			
a) Inventories	5	4,94,15,695	6,95,14,105
b) Financial Assets			
i) Current Investments	6	37,41,72,533	54,64,38,312
ii) Trade Receivables	7	2,20,10,473	4,42,53,643
iii) Cash and Cash Equivalents	8	6,50,42,888	3,37,29,095
iv) Bank Balance other than iii above	9	3,15,42,061	1,00,36,922
v) Loans	10	1,37,88,50,101	1,01,71,50,001
vi) Others	11	1,18,72,123	1,81,99,185
c) Current Tax Assets	12	6,16,20,974	6,29,81,811
d) Other Current Assets	13	9,84,397	11,70,083
TOTAL		4,27,47,60,398	4,14,24,12,067
EQUITY AND LIABILITIES			
EQUITY			
Shri Laxmi Ji			
a) Equity Capital	14	1,02,80,000	1,02,80,000
b) Other Equity	15	4,03,15,84,920	3,90,41,64,380
LIABILITIES			
(1) Non-Current Liabilities			
a) Financial Liabilities			
i) Other Financial Liabilities	16	8,45,100	-
b) Provisions	17	1,64,21,806	1,62,60,584
(2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	18	5,07,63,010	75,88,522
ii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises;		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		3,15,20,459	4,08,22,595
iii) Other Financial Liabilities	20	3,20,000	37,25,820
b) Other Current Liabilities	21	9,20,46,556	12,10,09,287
c) Provisions	22	4,09,78,546	3,85,60,876
TOTAL		4,27,47,60,398	4,14,24,12,067
The accompanying accounting policies and notes form an integral part of the standalone financial statements.			
PLACE: CHANDIGARH Dated : 08.06.2021		AUDITOR'S REPORT: As per our Separate Report of the Even Date	
For & on Behalf of Board of Directors			
DHARAM PAL SHARMA Whole Time Director DIN- 07284332 House no. 5063, MHC, Manimajra, 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	BHUPINDER KAUR Chief Financial Officer FCA-508485 H. No. 5, ASTHA ENCLAVE-2 Sec. 127, MOHALI	CA. ROHIT GOEL Partner (M. No. 091756)	

PAUL MERCHANTS LTD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MAR 2021

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	CURRENT YEAR 31.03.2021	PREVIOUS YEAR 31.03.2020
I. REVENUE			
Revenue from Operations	23	29,61,50,17,309	53,57,68,31,542
Other Income	24	22,12,29,616	13,48,71,051
III Total Income (I+II)		29,83,62,46,925	53,71,17,02,593
IV. EXPENSES			
Purchase of Foreign Exchange and Services	25	29,05,84,26,444	52,71,54,09,174
Changes in Inventories of Stock in Trade	26	2,00,33,250	-2,28,23,724
Direct Expenses	27	33,36,70,046	52,40,86,746
Office & Administrative Expenses	28	5,77,04,456	8,31,81,684
Employee Benefit Expenses	29	14,25,43,825	18,73,72,933
Finance Costs	30	24,09,509	49,35,530
Sales Promotion Expenses	31	15,87,224	69,70,269
Corporate Social Responsibility Expenses	32	37,19,330	48,94,450
Other Expenses	33	35,86,899	9,79,543
Depreciation	1	2,22,77,177	2,81,79,618
TOTAL EXPENSES IV		29,64,59,58,160	53,53,31,86,224
V. PROFIT BEFORE EXCEPTIONAL ITEMS & TAX (III - IV)		19,02,88,765	17,85,16,369
VI. EXCEPTIONAL ITEMS	34	3,04,72,125	1,29,17,116
VII. PROFIT BEFORE TAX (V - VI)		15,98,16,640	16,55,99,253
VIII. TAX EXPENSE			
(1) Current Tax		3,36,78,338	3,32,32,785
(2) Prior Period Tax		-16,51,823	9,46,502
(3) Deferred Tax	42	10,17,012	1,24,67,220
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII - VIII)		12,67,73,112	11,89,52,746
IX. Profit/Loss from Discontinued Operations		-	-
XI Tax Expense of Discontinued Operations		-	-
XII PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X-XI)		-	-
XIII PROFIT/(LOSS) FOR THE PERIOD (IX+XII)		12,67,73,112	11,89,52,746
XIV OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined benefit obligations		8,65,182	-24,34,056
(ii) Income tax relating to items that will not be reclassified to profit or loss		-2,17,754	6,12,603
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV)		12,74,20,540	11,71,31,293
XVI EARNING PER EQUITY SHARE (FOR CONTINUING OPERATION)			
1) BASIC	39	123.32	115.71
2) DILUTED		123.32	115.71
XVII EARNING PER EQUITY SHARE (FOR DISCONTINUED OPERATION)			
1) BASIC		-	-
2) DILUTED		-	-
XVIII EARNING PER EQUITY SHARE (FOR CONTINUING & DISCONTINUED OPERATION)			
1) BASIC		123.32	115.71
2) DILUTED		123.32	115.71

The accompanying accounting policies and notes form an integral part of the standalone financial statements.

PLACE: CHANDIGARH
Dated : 08.06.2021

For & on Behalf of Board of Directors

DHARAM PAL SHARMA
Whole Time Director
DIN- 07284332
House no. 5063, MHC,
Manimajra, 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

BHUPINDER KAUR
Chief Financial Officer
FCA-508485
H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

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

For **RAJIV GOEL AND ASSOCIATES**
CHARTERED ACCOUNTANTS
(FRN – 011106N)

CA. ROHIT GOEL
Partner
(M. No. 091756)

PAUL MERCHANTS LTD
STATEMENT OF CHANGES IN EQUITY
CIN-L74900DL1984PLC018679

A Equity Share Capital

Changes in equity share capital

Particulars	For the year ended 31st Mar, 2021	For the year ended 31st March, 2020
	Amount (Rs)	Amount (Rs)
Balance at the beginning of the reporting period	1,02,80,000	1,02,80,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	1,02,80,000	1,02,80,000

B Other Equity

Changes in other equity for the year ended 31st Mar, 2021

Particulars	Reserves and Surplus		Amount (Rs)
	Security premium Account	Retained earnings	Total
Balance as on 01.04.2020	50,40,000	3,89,91,24,380	3,90,41,64,380
Net Profit / Loss for the year		12,67,73,112	12,67,73,112
Other Comprehensive income for the year			
Remeasurements of net defined benefit plans		6,47,428	6,47,428
Balance as on 31.03.2021	50,40,000	4,02,65,44,920	4,03,15,84,920

Changes in other equity for the year ended 31st March, 2020

Particulars	Reserves and Surplus		Amount (Rs)
	Security premium Account	Retained earnings	Total
Balance as on 01.04.2019	50,40,000	3,78,40,49,087	3,78,90,89,087
Net Profit / Loss for the year		11,89,52,746	11,89,52,746
Dividend Paid		(20,56,000)	(20,56,000)
Other Comprehensive income for the year			
Remeasurements of net defined benefit plans		(18,21,453)	(18,21,453)
Balance as on 31.03.2020	50,40,000	3,89,91,24,380	3,90,41,64,380

PLACE: CHANDIGARH

Dated : 08.06.2021

For & on Behalf of Board of Directors

DHARAM PAL SHARMA
Whole Time Director
DIN- 07284332
House no. 5063, MHC,
Manimajra, 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

BHUPINDER KAUR
Chief Financial Officer
FCA-508485
H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

For RAJIV GOEL AND ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN – 011106N)

CA. ROHIT GOEL
Partner
(M. No. 091756)

PAUL MERCHANTS LTD
STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31.03.2021

CIN-L74900DL1984PLC018679

Amount (in Rs.)

PARTICULARS	CURRENT YEAR 31.03.2021	PREVIOUS YEAR 31.03.2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	15,98,16,640	16,55,99,253
Adjustment for:		
Depreciation	2,22,77,177	2,81,79,618
Impairment Loss on JV	3,04,72,125	-
Provision for Expected Credit Loss	17,72,102	-
Profit/Loss on Sale of Fixed Assets	(24,48,122)	1,13,95,390
Gain on Sale of Investments	(2,57,88,391)	(1,13,06,175)
Unrealized Gain on Sale of Investments	(98,28,032)	-
Finance Cost	24,09,509	49,35,530
Short Term Provisions	24,17,670	21,87,197
Long Term Provisions	1,61,222	14,76,683
Rental Income	(1,05,13,356)	(86,70,218)
Interest Income	(14,34,38,946)	(10,61,17,468)
Dividend Received	(2,55,02,372)	(80,93,682)
Other Comprehensive Income	8,65,182	(24,34,056)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	26,72,408	7,71,52,073
Adjustment for :		
Net changes in operating Assets & Liabilities		
Inventory	2,00,98,410	(2,28,23,724)
Trade receivable	2,22,43,170	(71,60,260)
Other Bank Balance	(2,15,05,140)	1,51,544
Current Tax Assets	13,60,837	(1,05,51,948)
Other Current Assets	1,85,685	5,14,790
Trade Payables	(93,02,137)	3,36,62,736
Increase in Other Financial Liabilities	(34,05,820)	-
Other Current Liabilities	(2,89,62,735)	1,64,51,454
CASH FROM/(USED IN) OPERATIONS	(1,66,15,321)	8,73,96,664
Income Taxes Paid	(3,20,26,515)	(3,35,66,684)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(4,86,41,836)	5,38,29,980
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	1,05,60,364	10,24,65,197
Purchase of Fixed Assets	(41,78,653)	(1,64,62,234)
Current Investments	20,78,82,203	37,07,17,676
Short Term Loans & Advances	(35,53,73,038)	(66,30,91,190)
Decrease in Other Long Term Liabilities	8,45,100	-
Rental Income	1,05,13,356	86,70,218
Interest Income	14,34,38,946	10,61,17,468
Dividend Income	2,55,02,372	80,93,682
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	3,91,90,650	(8,34,89,183)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	-	(20,56,000)
Borrowings (Net of Repayments)		
Long Term Borrowings	-	-
Short Term Borrowings	4,31,74,488	62,86,987
Finance Cost	(24,09,509)	(49,35,530)
NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	4,07,64,979	(7,04,543)
Net Change in Cash & Cash Equivalents (A+B+C)	3,13,13,793	(3,03,63,746)
Cash and Cash equivalent at the beginning of the year	3,37,29,095	6,40,92,841
Cash and Cash equivalents at the end of the year	6,50,42,888	3,37,29,095

Place : Chandigarh.
Dated : 08.06.2021

For & on behalf of Board of Directors

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

(BHUPINDER KAUR)
Chief Financial Officer
FCA-508485
H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

(RAJNEESH BANSAL)
Managing Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

(DHARAM PAL SHARMA)
Whole Time Director
DIN- 07284332
H.NO. 5063, MHC
Manimajra, Chandigarh

AUDITOR'S CERTIFICATE

We have examined the Cash flow Statement of Paul Merchants Limited for the year ended 31st March 2021. 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 : 08.06.2021

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 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and relevant amendment rules issued thereafter. The financial statements comply in all material aspects with said Indian Accounting Standards.

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

B. Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets which have been measured at fair value 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.
- 3 Foreign Currency Fixed Deposits, Balances in Foreign Currency Bank Accounts and other Foreign Currency receivables or payables are valued at year end rates and gains/losses due to exchange rate differences have been adjusted in Profit & Loss Account

H. Investments

Company has opted to measure its investments in subsidiaries, joint ventures and associates at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. The Company accounts for all its investments at Fair value through profit or loss except for Investments in Subsidiary, Joint Venture and Associates 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 as Income.

WIP is stated at cost incurred towards development of Travel Software for onward Sales.

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 2021 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAR 2021

Note 1: PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Gross Block (Amount in Rupees)				Accumulated Depreciation (Amount in Rupees)				Net Block (Amount in Rupees)	
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31st Mar 2021	Balance as at 1 April 2020	Depreciation charge for the year	On disposals	Balance as at 31st Mar 2021	Balance as at 31st March 2020	Balance as at 31st Mar 2021
Land	37,53,86,517	-	-	37,53,86,517	-	-	-	-	37,53,86,517	37,53,86,517
Buildings	26,22,75,981	-	79,65,545	25,43,10,436	5,80,60,202	99,02,569	9,42,827	6,70,19,944	20,42,15,779	18,72,90,492
Computers & Desktop	3,22,35,332	6,31,662	13,72,093	3,14,94,901	2,89,40,374	12,47,377	12,91,395	2,88,96,355	32,94,958	25,98,546
Servers & Networks	81,08,053	-	-	81,08,053	71,25,434	3,01,343	-	74,26,777	9,82,619	6,81,276
Furniture and Fittings	3,77,18,588	1,89,544	3,35,554	3,75,72,579	2,83,66,315	22,03,804	3,10,369	3,02,59,749	93,52,274	73,12,830
Motor Cars	5,89,16,485	-	48,69,100	5,40,47,385	3,89,68,674	60,68,339	39,28,106	4,11,08,907	1,99,47,811	1,29,38,478
Motor Cycles	1,35,417	-	-	1,35,417	86,977	12,312	-	99,289	48,441	36,129
Office Equipments	1,42,23,705	12,54,345	3,14,165	1,51,63,885	1,16,81,113	12,24,751	2,94,719	1,26,11,145	25,42,592	25,52,740
Electrical Installations & Equipments	1,65,81,369	1,43,102	2,81,980	1,64,42,491	1,32,85,309	8,19,533	2,58,778	1,38,46,064	32,96,060	25,96,426
Plant & Machinery (Solar Power Plant)	24,20,000	-	-	24,20,000	11,73,248	2,25,661	-	13,98,909	12,46,752	10,21,091
Leasehold Improvements	37,29,942	-	-	37,29,942	30,82,413	2,71,489	-	33,53,902	6,47,530	3,76,041
Intangible Assets Under Development										
Computer Software	-	19,60,000	-	19,60,000	-	-	-	-	-	19,60,000
Total Current Year	81,17,31,389	41,78,653	1,51,38,437	80,07,71,605	19,07,70,058	2,22,77,177	70,26,195	20,60,21,041	62,09,61,331	59,47,50,564
Total Previous Year	93,09,74,995	1,64,62,234	13,57,05,840	81,17,31,389	18,44,35,693	2,81,79,618	2,18,45,253	19,07,70,058	74,65,39,302	62,09,61,331

* Land & Building at SCO 827-828, Chandigarh mortgaged with ICICI Bank Limited and at # 749 Sector 8 Chandigarh & DSM 335-337, DLF Delhi mortgaged with State Bank of India for OD limit taken by Wholly owned subsidiary - Paul Merchants Finance Private Limited.

Note 2: FINANCIAL ASSETS - NON CURRENT INVESTMENTS

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Investments (unquoted, fully paid up, at cost)		
Investments in Subsidiary		
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)	1,40,76,27,264	1,40,76,27,264
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)	25,00,00,000	25,00,00,000
Investments in Joint Venture*		
19.42% JV Investment (Previous Year 19.42%) in Horizon Remit SDN BHD, Malaysia	-	3,04,72,125
Total	1,65,76,27,264	1,68,80,99,389

* During the year, the Company has provided for impairment in value of its investment in Malaysian Joint Venture Horizon Remit Sdn. Bhd. amounting to Rs 304.72 Lakhs. This impairment has 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 has continued to incur significant losses. The entire cost of investment has been recognised as impairment loss as the net recoverable amount after adjusting for costs of disposal associated with the investment is evaluated to be Nil basis financial statements of the JV. Pls also refer to Note 37 & 38

Note 3: OTHER FINANCIAL ASSETS

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Advance against Property	70,88,408	70,88,408
Less: Provision for Expected credit Loss	-17,72,102	-
Total	53,16,306	70,88,408

Note 4: DEFFERED TAX ASSETS

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Opening Balances	2,27,89,781	3,52,57,001
Add/Less: Deferred Tax Assets created/(written back) during the year	-12,34,761	-1,24,67,220
Total	2,15,55,020	2,27,89,781

Note 5: INVENTORIES

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Stock of Foreign Currency at Cost	4,73,35,045	6,94,48,945
Stock Of Shares at Cost	-	65,160
Work in Progress	20,80,650	-
Total	4,94,15,695	6,95,14,105

Note 6: FINANCIAL ASSETS -CURRENT INVESTMENTS

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Investments measured at Fair Value Through Profit & Loss		
Investment in Mutual Funds Quoted at FVTPL		
Aditya Birla Sun Life Corporate Bond Fund	32,971	29,519
Aditya Birla Sunlife Pure Value Fund	-	8,15,491
Axis Focused 25 Fund Direct Plan Growth	13,16,472	8,12,264
Axis Liquid Fund	-	1,08,433
HDFC Liquid Fund Direct Plan Growth	-	2,18,207
HDFC Capital BuilderFund- Growth	-	9,05,502
HDFC MID-CAP Opportunities Fund - Growth	-	1,32,229
HDFC Small Cap Fund Direct Plan Growth	12,07,970	5,88,248
ICICI Prudential Liquid Direct Plan Growth	1,02,814	-
HDFC Equity Savings Fund Direct Plan Growth Folio	7,36,868	4,20,528
L&T India Value Fund-Regular Plan -Growth	-	4,39,893
L&T Liquid Fund	4,55,397	4,39,898
L&T India Value Fund Direct Plan Growth	4,50,927	2,42,156
IDFC Fixed Term Plan Series 149 Direct Plan*	3,74,91,600	3,45,24,600
IDFC Sterling Equity Fund Regular Plan Growth 2089	-	5,44,470
Kotak Liquid Fund	-	1,06,871
Kotak Standard Multicap Fund Direct Plan Growth	12,44,427	7,40,425
Mirae Asset Cash Management Fund	-	1,07,002
Mirae Asset India Equity Fund Direct Plan	12,57,082	7,37,142
ASK Investment Managers Limited -Domestic Resurgence PMS	35,61,587	21,31,456
ASK Investment Managers Limited IEP PMS A/C	35,58,235	21,11,143
L & T Ultra Short Term (G)	7,04,991	-
HDFC Ultra Short Term Fund-Regular Plan Growth	10,09,434	-
Aditya Birla Sunlife Liquid Fund INF209K01RU9	14,61,862	-
HDFC Liquid Fund _ 13393612/56	7,05,158	-
IDFC Money Manager Fund INF194K01LG9	10,95,851	-
Investments in Tax Free Bonds -Quoted at FVTPL- Pledged *		
7.03 % Housing and Urban Development Corporation Limited*	1,26,77,254	1,24,14,435
8.56 % Housing and Urban Development Corporation Limited*	2,72,59,750	2,58,62,227
8.48% India Infrastructure Finance Company Limited*	6,44,67,803	6,12,28,318
8.54% Power Finance Corporation Limited *	6,41,75,816	6,08,41,167
8.46 % Rural Electrification Corporation Limited Bond. *	2,45,20,110	2,32,92,342
7.22% Rural Electrification Corporation Limited *	1,39,82,771	1,37,73,752
7.55% Indian Railway Finance corporation *	2,10,02,549	2,11,22,978
8.20% NHAI 2022 *	2,14,75,859	2,16,36,519
8.20% Power Finance Corporation Ltd *	1,49,31,102	1,50,91,658
7.62% HUDCO 11 Nov 21 *	2,09,10,148	2,10,93,559
8.23% IRFC 18 Feb 24 *	58,55,089	57,91,680
Investments in Listed Non convertible Debentures -Quoted at FVTPL		
Kotak Mahindra Prime Limited 8.70% MLD	-	4,60,52,000
Aditya Birla Finance Limited MLD NCD	-	3,35,31,000
HDB Financial Services Limited MLD	-	3,30,66,000
Muthoot Finance Limited 9.5% NCD	-	10,03,210
Tata Capital Financial Services Ltd MLD	-	2,21,44,000
Tata Capital Financial Services Ltd MLD ASK	-	3,30,21,000

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Investments in Bonds and debentures -Unquoted at FVTPL		
Rural Electrification Corporation Limited -Capital Gain Bonds	-	51,96,875
Investments in Preference Shares- Quoted at FVTPL		
6% Zee Entertainment Enterprises Limited	56,42,192	89,04,384
Investments in Equity Shares- Quoted at FVTPL	1,54,602	
Investments in Equity- Unquoted at FVTPL	3,843	-
Investments in Structured Entity - Unquoted at FVTPL		
Aventus Enhanced Return Fund Class A1 Folio No. 32	-	1,57,00,931
India Real Estate Investment Fund	2,07,20,000	1,95,14,800
Total	37,41,72,533	54,64,38,312

*As on 31 March 2021 Tax free bonds and IDFC Fixed Term Plan Valued at Rs 3287 lacs (Previous Year Tax Free Bonds valued Rs 2821 Lacs) are pledged with Kotak Bank for Overdraft limits taken by Paul Merchants Finance Private limited (Wholly owned Subsidiary of the company)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Aggregate Value of Quoted Investments	35,34,48,690	50,60,25,707
Aggregate Value of Unquoted Investments	2,07,23,843	4,04,12,606
Total	37,41,72,533	54,64,38,312

Note 7: FINANCIAL ASSETS- TRADE RECEIVABLES

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
A. Trade receivables		
Trade Receivables Secured, considered good	-	
Trade Receivables Unsecured, considered good	2,20,10,473	4,42,53,643
Trade Receivables which have significant increase in Credit Risk	-	
Trade Receivables - Credit impaired.	-	
Less: Provision for doubtful debts	-	-
Total	2,20,10,473	4,42,53,643

Trade Receivable stated above include debts due by:

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a director or member	-	-
	-	-

Note 8: FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Cash and cash equivalents		
i) Cash in hand	1,98,60,421	1,22,04,346
ii) In Current Accounts	4,51,82,467	2,15,24,748
	6,50,42,888	3,37,29,095

Note 9: FINANCIAL ASSETS - BALANCE WITH BANKS OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Other Balances with Banks		
i) In Term Deposit Accounts with > 3 month and <12 months maturity	43,58,666	42,49,323
ii) In earmarked Term Deposit Accounts		
a. Pledged FD *	2,10,26,270	-
b. Margin money	57,52,699	54,04,254
c. Guarantees & Other Commitments	3,82,695	3,61,613
iii) In Unclaimed dividend accounts	21,732	21,732
	3,15,42,061	1,00,36,922

* 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

Amount (In Rs.)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Loan to Related Party		
Unsecured, Considered Good		
Loan to Paul Merchants Finance Pvt Ltd (Wholly Owned Subsidiary)	1,37,88,50,101	1,01,71,50,001
	1,37,88,50,101	1,01,71,50,001

Note 11: FINANCIAL ASSETS - SHORT TERM ADVANCES

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
Others		
Unsecured, Considered Good		
1. Advances to Other Parties (Net)	72,03,547	1,32,41,100
2. Security Deposits	30,33,695	38,79,017
3. Staff Imprest	10,88,978	5,12,057
4. Claims Recoverable	5,45,902	5,67,011
Total (B)	1,18,72,123	1,81,99,185

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:

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is also a director	1,37,88,50,101	1,01,71,50,001
	1,37,88,50,101	1,01,71,50,001

* Loan to Paul Merchants Finance Pvt Ltd (Wholly Owned Subsidiary)

Note 12: Current tax Assets

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
Balances with government authorities		
a. GST Input Credit	6,02,022	4,02,473
b. Advance Tax	1,27,00,000	1,25,00,000
c. Tax Deducted at Source	1,60,17,108	1,92,07,119
d. Tax Refund	3,23,01,844	3,08,72,220
Total	6,16,20,974	6,29,81,811

Note 13: OTHER CURRENT ASSETS

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
Prepaid expenses	9,84,398	11,70,083
Total	9,84,398	11,70,083

Note 14: SHARE CAPITAL

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

Particulars	As at 31st Mar 2021		As at 31st Mar 2020	
	Number	Amount (In Rs.)	Number	Amount (In Rs.)
Authorised				
Equity Shares of Rs. 10 each	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Issued, Subscribed & fully Paid up				
Equity Shares of Rs. 10 each fully paid	10,28,000	1,02,80,000	10,28,000	1,02,80,000
Total	10,28,000	1,02,80,000	10,28,000	1,02,80,000

B. Reconciliation of Number of Shares Outstanding at the beginning and end of the year

Particulars	Equity Shares			
	As at 31st Mar 2021		As at 31st Mar 2020	
	Number	Amount (In Rs.)	Number	Amount (In Rs.)
Shares outstanding at the beginning of the year	10,28,000	1,02,80,000	10,28,000	1,02,80,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,28,000	1,02,80,000	10,28,000	1,02,80,000

C. Rights, Preferences and Restrictions attaching to various classes of Shares

Class of Shares	Rights, Preferences and Restrictions attaching to various classes of Shares
Equity Shares	No Special Rights, Preferences & Restrictions Attached

D. Shares in the company held by each shareholder holding more than 5% shares

Name of Shareholder (Mr./Mrs.)	Equity Shares			
	As at 31st Mar 2021		As at 31st Mar 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sarita Rani Bansal	3,45,600	33.62	3,45,600	33.62
Rajneesh Bansal	2,94,253	28.62	1,49,746	14.57
Sandeep Bansal	-	-	1,44,507	14.06
Paul Excursions Pvt. Ltd.	1,02,355	9.96	1,02,355	9.96

Note 15: OTHER EQUITY

Amount (In Rs.)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
A. Securities Premium Account		
Opening Balance	50,40,000	50,40,000
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilized	-	-
Closing Balance	50,40,000	50,40,000
B. Reserve and Surplus		
Opening Balance	3,89,91,24,380	3,78,40,49,087
(+) Profit for Current Year	12,67,73,112	11,89,52,746
Other Comprehensive Income/(loss) (net of tax)	6,47,428	(18,21,453)
(-) Dividends	-	20,56,000
Closing Balance	4,02,65,44,920	3,89,91,24,380
Total	4,03,15,84,920	3,90,41,64,380

Note 16: OTHER LONG TERM FINANCIAL LIABILITIES

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Deferred Income	1,08,207	
Security deposits received	7,36,893	-
Total	8,45,100	-

Note 17: LONG TERM PROVISIONS

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Provision for employee benefits		
Gratuity - Unfunded	1,64,21,806	1,62,60,584
Total	1,64,21,806	1,62,60,584

CURRENT FINANCIAL LIABILITIES

Note 18: CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
A. SECURED		
Loans repayable on demand- From Banks		
(i) Cash Credit Facility (CC) (Secured by Inventory and Debtors (future & current) and Hypothecation of one Property)	5,07,63,010	72,03,513
Current maturities of long-term debt		
a. Loans from ICICI Bank (Secured by Hypothecation of Property)	-	3,85,009
Total	5,07,63,010	75,88,522

Note 19: FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
Sundry Creditors	3,15,20,459	4,08,22,595
Sundry Creditors - Forex	2,91,37,726	3,93,11,339
Sundry Creditors - Travel	23,82,733	15,11,257
Total	3,15,20,459	4,08,22,595

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, 2021. 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 Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
(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

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Security deposits	3,20,000	37,25,820
Total	3,20,000	37,25,820

Note 21: OTHER CURRENT LIABILITIES

Amount (In Rs.)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	(a) Expenses Payable	2,08,82,538
(b) Unclaimed dividends	21,732	21,732
(c) Advance From Customer	2,88,85,913	7,10,29,776
(d) Other payables	2,10,44,488	2,54,46,909
(e) Statutory Payables		
(i) PF Payable	8,79,676	11,07,417
(ii) ESI Payable	72,623	1,10,272
(iii) TDS Payable	26,27,398	31,88,363
(iv) TCS Payable	1,26,94,565	-
(v) GST Payable	49,33,458	36,24,202
(vi) Kerala Cess Payable	4,165	7,580
Total	9,20,46,556	12,10,09,287

Disclosure under Rule 16A of the Companies (Acceptance of Deposits) Rules, 2014

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Advance Received from Directors	NIL	NIL
Advance Received from relatives of Directors	NIL	NIL

Note 22: SHORT TERMS PROVISIONS

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	(a) Provision for employee benefits	66,08,228
(b) Others (Specify nature)		
Provision for Taxes	3,43,70,318	3,26,20,182
Total	4,09,78,546	3,85,60,877

Note 23: REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Sale of Services		
Foreign Exchange	29,52,59,14,133	53,41,38,38,713
FX Service Charges	2,49,15,118	2,29,24,769
Sales of Hotel Bookings & Packages	9,15,419	2,02,31,568
Revenue from Air Ticketing	41,95,336	1,63,22,802
Revenue from Hotel Bookings & Packages	4,83,811	33,21,122
Revenue from Visa ,Bus Bookings, Railway	1,80,377	13,83,585
Total - Sale of Services	29,55,66,04,194	53,47,80,22,559
Other Operating Revenues		
Rewards & Incentives	11,44,823	66,07,249
- FX Incentive	97,666	22,34,263
-Travel Incentive	10,47,157	43,72,986
Credit Card Encashment	8,01,555	51,77,155
Other Service charges	5,64,66,737	8,70,24,579
-AD-1 Referral - Commission	5,11,64,304	7,80,92,543
-International Money Transfer- Commission	43,43,490	71,64,554
-Domestic Money Transfer - Commission	9,58,943	17,67,482
Total - Other Operating Revenues	5,84,13,115	9,88,08,983
Total Revenue From Operations	29,61,50,17,309	53,57,68,31,542

Note 24: OTHER INCOME

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
A. Interest Income		
1. Interest on Bank Deposits	8,98,457	7,08,849
2. Other Interest	14,25,40,489	10,54,04,322
3. Interest on Income Tax Refund	14,29,624	-
B. Dividend Income	2,55,02,372	80,93,682
C. Net Gain on Sale/Fair Valuation of investments	3,56,16,423	87,93,276
1. Realized Gain on Sale of investments	2,57,88,391	1,13,21,749
2. Net Unrealized gain/ (loss) on financial instruments at fair value through profit or loss	98,28,032	(25,28,473)
D. Other non-operating income	1,52,42,251	1,18,70,922
1. Rental Income	1,05,13,356	86,70,218
2. Profit on sale of Fixed Assets	24,48,122	15,21,726
3. Franchisee Fees	19,490	19,491
4. Miscellaneous Income	22,03,129	16,59,487
5.Fair Valuation gain on Financial Assets	58,154	-
Total	22,12,29,616	13,48,71,051

Note 25: Purchase of Foreign Exchange and Services

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Foreign Exchange	29,05,55,24,180	52,69,78,32,874
Hotel Bookings & Packages	8,21,614	1,75,76,300
Work in progress	20,80,650	-
Total	29,05,84,26,444	52,71,54,09,174

Note 26: Changes in Inventories of Stock in Trade

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Closing Stock of Foreign Exchange & Work in Progress	4,94,15,695	6,94,48,944
Opening Stock of Foreign Exchange	6,94,48,944	4,66,25,220
NET DECREASE/(INCREASE)	2,00,33,250	-2,28,23,724

Note 27: DIRECT EXPENSES

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
COMMISSION AND INCENTIVES	33,36,70,046	52,40,86,746
Forex Agents - AD-2	30,68,20,898	48,24,72,093
Forex Agents - AD-1 Referral	2,68,49,149	4,16,14,653
Total	33,36,70,046	52,40,86,746

Note 28: OFFICE & ADMINISTRATIVE EXPENSES

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Bad Debts and Balances Written Off	-	1,77,444
Brokerage	1,01,894	10,19,067
Communication Expenses	33,09,611	39,04,034
Computer Expenses	44,33,917	54,59,895
Conference Expenses	1,09,202	5,70,776
Conveyance Expenses	12,37,640	28,90,224
Generator Running Expenses	64,362	1,23,894
Insurance	20,07,108	19,92,816
Legal, Professional & Outsourcing	87,69,796	43,83,483
Statutory Audit Fees	1,50,000	1,50,000
Tax Audit Fees	50,000	50,000
Postage & Telegram	10,91,901	22,80,148
Power and Water Expenses	31,95,498	41,20,208
Printing and stationery	7,97,714	18,98,485
Rates and taxes	8,73,005	17,66,885
Rent	1,88,03,507	2,37,84,162
Repairs and maintenance	69,08,588	1,52,52,239
Office maintenance	3,27,645	8,98,829
Security Services	14,47,101	17,17,555
Travelling Expenses	25,71,273	78,61,327
Vehicle Running & Maintenances	10,80,095	26,32,622
Portfolio Management Services	1,26,224	1,07,066
Office Expenses	2,48,376	1,40,526
Total	5,77,04,456	8,31,81,684

Payments to the Previous auditor	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Statutory Audit Fees	1,50,000	1,50,000
Tax Audit Fees	50,000	50,000
GST Audit fee	1,50,000	-
Total	3,50,000	2,00,000

Note 29: EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Salaries & Employee Benefits	13,12,38,855	17,14,91,404
Contributions to:		
(i) Provident Fund	53,60,227	67,55,629
(ii) ESI	7,51,098	11,36,972
(iii) NPS	1,38,996	1,74,749
Gratuity	29,77,984	32,38,017
Staff Recruitment Expenses	22,750	89,118
Staff welfare expenses	20,53,916	44,87,045
Total	14,25,43,825	18,73,72,933

Note 30: FINANCE COSTS

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Interest Expenses:		
Interest on Demand Loans	5,83,931	10,70,658
Interest on Term Loans	19,060	1,98,564
Interest on Car Loans	-	43,400
Notional Interest on Security Deposit	58,154	-
Other Finance Expenses:		
Bank Charges	16,46,929	27,77,031
Credit Card Charges	1,01,435	8,45,878
Total	24,09,509	49,35,530

Note 31: SALES PROMOTION EXPENSES

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Advertisement & Publicity	6,80,837	17,40,562
Business Promotion	9,06,387	52,29,707
Total	15,87,224	69,70,269

Note 32: CSR- CORPORATE SOCIAL RESPONSIBILITY

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Gross Amount Required to be spent by the Co. During the Year	36,07,741	46,34,591
Gross Rounded off Amount Required to be spent by the Co. During the Year	36,50,000	46,50,000
A) Amount Spent During the year	Amount Paid	Amount Paid
Animal Welfare	1,23,200	1,39,200
Promoting Healthcare	26,10,000	23,45,874
Eradicating hunger	-	8,60,351
Promoting Employment enhancing Vocation skills	74,100	77,425
Promoting education	4,71,000	4,71,600
Old Age Home	-	10,00,000
Administrative overheads (Prop Salary of one employee dedicated for CSR activities)	1,90,030	-
Restoration of historical sites	2,51,000	-
B) AMOUNT YET TO BE PAID	NIL	NIL
Total	37,19,330	48,94,450

Note 33: OTHER EXPENSES

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Donations	10,87,186	1,77,594
Provision for Expected Credit Loss	17,72,102	-
Fees & Subscriptions	7,27,611	8,01,949
Total	35,86,899	9,79,543

Note 34: EXCEPTIONAL ITEMS

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Loss on Sale of Property#	-	1,29,17,116
Impairment of Investment in Joint Venture*	3,04,72,125	-
<p>* During the year, the Company has provided for impairment in value of its investment in Malaysian Joint Venture Horizon Remit Sdn. Bhd. amounting to Rs 304.72 Lakhs. This impairment has 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 has continued to incur significant losses. The entire cost of investment has been recognised as impairment loss as the net recoverable amount after adjusting for costs of disposal associated with the investment is evaluated to be Nil on the basis of financial statements of the JV.Pl refer to Note 38</p> <p>#During the Previous year ended 31st March 2020, the company had sold its three properties at Delhi, Chandigarh and Mohali and incurred Net loss on such sale amounting to Rs. 129.17 Lacs. The same is reported as Exceptional Item in the Statement of Profit and Loss.</p>		

Note 35: OTHER COMPREHENSIVE INCOME

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Remeasurement (Gain)Loss on defined benefit obligations	(8,65,182)	24,34,056
Income tax relating to above	2,17,754	-6,12,603
Remeasurement (Gain) Loss on defined benefit obligations (net of Tax)	(6,47,428)	18,21,453

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 Mar 2021 Rs. In Lacs	For the Year ended 31st Mar 2020 Rs. In Lacs
Mr. Sat Paul Bansal	Chairman cum Managing Director till 31.08.2020	166.20	408.00
Mr. Rajneesh Bansal	Executive Director till 31.8.2020 Managing Director w.e.f 01.09.2020	159.68	95.43
Mr. Dharam Pal Sharma	Whole Time Director	8.70	8.78
Total		334.58	512.21

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

Particulars	For the Year ended 31st Mar 2021 Rs. In Lacs	For the Year ended 31st Mar 2020 Rs. In Lacs
Profit Before Tax & Exceptional Items	1,902.89	1,785.16
Add: Managerial Remuneration	334.58	512.21
Add: Loss (Profit) on Sale of Fixed Assets	(24.48)	(15.22)
Add: Provision for Expected Credit Loss	17.72	-
Add: Notional Interest on SD	0.58	-
Less: Fair Value Gain on Financial Asset	(0.58)	-
Less: Profit on Sale of Investments	(257.88)	(113.22)
Add: Unrealized loss (Gain) on Investment	(98.28)	25.17
Net Profit for the Year	1,874.54	2,194.11

The Remuneration of Sh. Sat Paul Bansal, Chairman cum Managing Director had been approved by the Shareholders of the Company by way of Special Resolution in their Annual General Meeting held on 30.09.2019, 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, the above remuneration had been approved to be paid. 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. Further the remuneration paid to Sh. Sat Paul Bansal also includes an amount of Rs. 120 Lakhs paid as final instalment of the Special Incentive as approved by the Shareholders of the Company by way of Special Resolution passed through the process of Postal Ballot dated 16-11-2018.

The Remuneration of Sh Rajneesh Bansal from 01.04.2020 to 31.08.2020 as Executive Director and w.e.f 01.09.2020 as 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, the above remuneration had been approved to be paid. 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 Mar 2021 (Rs. In Lacs)	As at 31 March 2020 (Rs. In Lacs)
Claims against company not acknowledged as Debt	10.34	143.38
Outstanding Bank Guarantees	20.00	23.62
Service Tax Demand Notice pending Departmental Appeal with High Court including Penalty (excl. Interest)	670.84	335.42
Corporate Guarantee in Respect of JV in Malaysia	-	1,506.40
Corporate Guarantee in Respect of OD Limits taken by Paul Merchants Finance Private Limited Company from Kotak Bank , ICICI Bank and State Bank of India*	9,990.00	4,000.00
Income Tax Demand Notice pending before AO for rectification	211.72	-
Demand by Enforcement Directorate	540.00	-
Liability in respect of Malaysia JV(Pls refer to Note 38)	95.48	-
Total	11,538.38	6,008.82

Note 38. Joint Venture/Partnership Details

The company has a Joint Venture (JV) in Malaysia named M/s Horizon Remit SDN BHD (formerly 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 2021	As at 31 March 2020
Interest in JV (%)	19.42%	19.42%
Investment in JV	304.72	304.72
Less: Impairment Loss	(304.72)	
Value of Capitalized Investment in JV	-	304.72
Proportional Interest in		
- Assets	26.06	53.26
- Liabilities	96.60	44.71
Share of Income/(Loss) from JV	(76.82)	(29.83)
Expenditure Incurred	-	-

M/s Horizon Remit SDN BHD- During the year, the Company has provided for impairment in value of its investment in Malaysian Joint Venture Horizon Remit Sdn. Bhd. amounting to Rs 304.72 Lakhs. This impairment has 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 has continued to incur significant losses. The entire cost of investment has been recognised as impairment loss as the net recoverable amount after adjusting for costs of disposal associated with the investment evaluated to be Nil basis financial statements of the JV.

The JV Company has been in distressed financial condition at present, with its liabilities exceeding its assets. As per estimation by management, Paul Merchants Ltd. may need to infuse further funds up to USD 130000 which has been shown as contingent liability as it is subject to approval by RBI. Pls also refer to Note 37

Paul Innovations LLP - During the year, the company has entered into partnership agreement with Espranza Innovations Private Limited. The share of loss of Rs 0.03 Lacs during the year in said LLP. There is no capital contribution made during the year in said LLP.

Paul Tech Park LLP (earlier known as Paul & Singla Realtors LLP)- During the year, The company became designated partner in Paul Tech Park LLP. The Share of loss in said LLP for the year amounts to Rs 0.46 Lacs. There is no capital contribution made during the year.

Note 39. Earnings per Share

Particulars	Amount (In Rs.)	
	As at 31st Mar 2021	As at 31 March 2020
Earnings per Share- Continuing Operations		
Net Profit for the Year (Rs.)	12,67,73,112	11,89,52,746
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	123.32	115.71
Earnings per Share - Discontinued Operations		
Net Profit for the Year (Rs.)	-	-
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	-	-
Earnings per Share - Continuing and Discontinued Operations		
Net Profit for the Year (Rs.)	12,67,73,112	11,89,52,746
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	123.32	115.71

Note 40. Employee Benefits

Disclosure on employee benefits with regard to defined benefit plans, as per *IND AS 19- Employee Benefits* is as below:

Particulars of Defined Benefit Plan- Gratuity	As at 31st Mar 2021 Amount (In Rs.)	As at 31 March 2020 Amount (In Rs.)
Assumptions		
Discount rate	6.82% per annum	6.75% per annum
Rate of increase in Compensation Levels	5.50% per annum	5.50% per annum
Rate of Return on Plan Assets Not Applicable Not Applicable	NA	NA
Change in Present Value of Obligations		
Opening of defined benefit obligations	1,69,64,655	1,51,95,070
Acquisition Adjustments (Transfer Out)		
Service cost	18,32,870	20,58,880
interest Cost	11,45,114	11,79,137
Benefit Paid	-19,67,253	-39,02,488
Actuarial (Gain)/Loss on total liabilities	-8,65,182	24,34,056
- due to change in financial assumptions	-1,49,660	20,09,867
- due to change in demographic assumptions	-	-
- due to experience variance	-7,15,522	4,24,189
Closing of defined benefit obligation/liability	1,71,10,204	1,69,64,655
The amount to be recognized in Statement of Assets and Liabilities		
Present Value of Obligations	1,71,10,204	1,69,64,655
Fair value of plan assets	-	-
Net defined liability/(asset) recognized in balance sheet	1,71,10,204	1,69,64,655
Expense recognized in Statement of profit and loss		
Service cost	18,32,870	20,58,880
Interest Cost	11,45,114	11,79,137
Expense recognized in Statement of profit and loss	29,77,984	32,38,017
Other Comprehensive Income		
Actuarial (Gain)/Loss on total liabilities	-8,65,182	24,34,056

Note 41. Related Party Disclosures
(Disclosure as per Ind AS 24)

A. List of Related Parties

Name of Related Party	Relationship
Sat Paul Bansal	Chairman cum Managing Director till 31 August 2020
Rajneesh Bansal	Executive Director till 31.8.2020 Managing Director w.e.f 01.09.2020
Dharam Pal Sharma	Whole Time Director & Designated Director
Sarita Rani Bansal	Non-Executive Director
Sandeep Bansal	Non-Executive Director
Nita Bansal	Relative of Director
Bhupinder Kaur	Key Management Personnel- CFO
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 Distributors	Sole Proprietorship of which Director is a proprietor
Paul Tech Pak LLP(Previously known as Paul and Singla Realtors LLP)	LLP in which company is designated partner
Paul E-commerce Private Limited	Private company in which directors of the company are Directors.
Paul Excursions Private Limited	Private company in which directors of the company are Directors.
Paul Overseas Private Limited	Private company in which directors of the company are Directors.
Paul Fast Remit Private Limited	Private company in which directors of the company are Directors.
Talk More Communications Private Limited	Private Company in which One Director is Director.
PML Holidays 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

A. Related Party Transactions in Ordinary Course of Business For the Year ended 31st Mar 2021 (Rs. In Lacs)

Nature of Transaction	Directors	Key Management Personnel	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

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

B. Related Party Outstanding Balance as on: (Rs. In Lacs)

Nature of Transaction	Directors	Key Management Personnel	Subsidiary	Related Party	Total
Balance as on 31st March 2021					
Outstanding Unsecured Loan to Paul Merchants Finance Private Limited	-	-	13,788.50	-	13,788.50
Paul Innovations LLP -Outstanding expenses				0.43	0.43

Please refer to Note 1 ,6 & 37 for details on Securities/Assets pledged and Outstanding Corporate Guarantee of Rs 9990 lacs given for Sanction of Limits in Paul Merchants Finance Private Limited from Kotak Mahindra Bank Limited,ICICI Bank Limited and State Bank of India.

C. Related Party Transactions in Ordinary Course of Business for the Previous Year ended 31st Mar 2020 (Rs. In Lacs)

Nature of Transaction	Directors	Key Management Personnel	Subsidiary	Related Party	Total
Managerial Remuneration - Whole Time Directors	512.21		-	-	512.21
Remuneration - KMPs		45.69	-	-	45.69
Rent Paid for Premises	22.85		1.08	7.81	31.74
Rent Received	-	-	20.21	7.94	28.15
Net Service Charges Earned - Indo Nepal & DMT from Paul Merchants Finance Private Limited	-	-	17.67	-	17.67
Net additional working capital limit issued to Paul Merchants Finance Private Limited during the year	-	-	6,681.50	-	6,681.50
Interest earned from Paul Merchants Finance Private Limited on Working Capital limit	-	-	804.35	-	804.35
Security Expense paid	-	-	6.48	-	6.48
Dividend Received	-	-	49.63	-	49.63
Commission for cross reference Sales	-	-	0.89	-	0.89
Sale of Goods/Services	-	-	24.63	13.65	38.28

D. Related Party Outstanding Balance as on 31 March 2020 (Rs. In Lacs)

Outstanding Unsecured Loan to Paul merchants Finance Private Limited	-	-	10,171.50	-	10,171.50
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Note 42. Deferred Tax

(As per IND AS 12 Income taxes)

(Rs. In Lacs)

Deferred Tax Assets on Account of Timing Differences	As at 01.04.2020	Arising During the Year	As at 31.03.2021
Depreciation	1,67,14,827	(39,64,606)	1,27,50,221
Provision for Gratuity	42,69,664	36,632	43,06,296
Provision for Bonus & Commission	11,30,558	-11,30,558	0
Provision for Leave encashment	38,366.00	-38,366	0
Unrealized Loss on Investments	6,36,366	-6,36,366	-
Impairment Loss	-	69,72,022	69,72,022
Deferred Tax Liability			
Unrealized Gain on Investments	-	(24,73,519)	(24,73,519)
Net Deferred Tax Asset	2,27,89,782	(12,34,761)	2,15,55,020

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 Mar 2021	For the Year ended 31st Mar 2020
1	Segment Revenue		
(a)	Forex	2,96,029	5,35,223
(b)	Travel	68	456
(c)	Others	53	89
	Total	2,96,150	5,35,768
	Less: Inter Segment Revenue		
(a)	Forex	-	-
(b)	Travel	-	-
(c)	Others	-	-
	Net sales/Income From Operations	2,96,150	5,35,768
2	Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#		
(a)	Forex	240	1,076
(b)	Travel	-39	105
(c)	Others	39	70
	Total	240	1251
	Less:		
i)	Interest	24	49
ii)	Other Un-allocable Expenditure net off	830	894
iii)	Un-allocable income	2,212	1,349
	Total Profit Before Tax	1,598	1,656
3	Segment Assets		
(a)	Segment - Forex	1,967	2,358
(b)	Segment - Travel	153	204
(c)	Segment - Others	-	-
(d)	Unallocated Assets	40,627	38,862
	Total	42,748	41,424
4	Segment Liabilites		
(a)	Segment - Forex	1,484	1,586
(b)	Segment - Travel	47	61
(c)	Segment - Others	-	-
(d)	Unallocated Liabilities	798	633
	Total	2,329	2,280
5	Capital Employed		
(a)	Forex	484	772
(b)	Travel	106	143
(c)	Others	-	-
(e)	Unallocated Assets	40,627	38,862
(f)	Unallocated Liabilities	798	633
	Total	40,419	39,144

Note 43. Other Notes

- a Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.
- b 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.
- c The previous Year figures have been regrouped/re-classified/re-stated wherever necessary to conform with the current presentation.
- d Notes form integral part of Accounts for the year ending 31st March 2021

PLACE: CHANDIGARH

Dated : 08.06.2021

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

For & on Behalf of Board of Directors

DHARAM PAL SHARMA

Whole Time Director

DIN- 07284332

House no. 5063, MHC,
Manimajra, 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

BHUPINDER KAUR

Chief Financial Officer

FCA-508485

H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

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 Tech Park LLP and Paul Innovations LLP) (the Company, its subsidiaries and joint ventures together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2021, 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, 2021, 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 Results 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 Results

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results 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 results 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 results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, 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 Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

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 results, 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 results 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 results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- ❖ Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its subsidiaries and joint ventures to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, 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 results 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 Results of its Malaysian Joint Venture, Horizon Remit SDN. BHD, whose unaudited Financial Statements/Financial Results/ financial information reflect Group's share of total net loss after tax of Rs. 43.16 Lacs for the year ended 31st March 2021, as considered in the Consolidated Financial Statements only to the extent of cost of Investment. For the

purpose of consolidation, unaudited Financial Results/ financial information for the quarter ending Mar 2021 and audited Financial Statements for the year ended Dec 2020 have been considered. The said annual/interim Financial Statements/Financial Results/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, 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 Results/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements/Financial Results/financial information are not material to the Group.

Further during the year, the Company has provided for impairment in value of its investment in the said Joint venture in separate financial statements due to significant financial difficulties faced by the said JV. Resultantly, entire carrying amount of the investments in separate financial statements has been impaired as net recoverable amounts after adjusting for costs of disposal associated with the investment were estimated to be Nil. In the above consolidated financial statements, the company has recognized the share of its loss upto the cost of investment in joint venture in accordance with Ind AS 28 as a result of which the Value of the interest in JV is reflected at Rs. Nil in the consolidated financial statements. The company has estimated and recognized a contingent liability equivalent to expected cost of disposal of its investment since the same is subject to regulatory approvals.

- (b) We did not audit the financial statements/ financial information of the Wholly owned subsidiary, PML Realtors Private Limited whose financial results include total assets of Rs 2634.31 Lakhs as at March 31, 2021, total revenues of Rs 1100 lakhs, total net profit after tax of Rs. Rs. 86.03 lakhs for the year ended on that date and net cash outflows of Rs. 587.4 lakhs for the year ended March 31, 2021, 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 results/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, 2021 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, 2021 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 36 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.

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

SD/-
(ROHIT GOEL)
PARTNER
M. No.091756

UDIN: 21091756AAAACD1868

Date: 08.06.2021
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 Tech Park LLP and Paul Innovations LLP) as of March 31, 2021 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 and its Indian Subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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: 21091756AAAACD1868

Date: 08.06.2021
Place: Chandigarh

PAUL MERCHANTS LTD
CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2021

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	As on 31.03.2021	As on 31.03.2020
ASSETS			
(1) Non-Current Assets			
a) Property, Plant and Equipment	1	62,67,48,301	63,97,01,797
b) Other Intangible Assets	1	4,90,948	-
c) Intangible Assets Under Development	1	59,75,199	-
d) Financial Assets			
i) Investments	2	-	43,15,685
ii) Others	3	53,16,306	70,88,408
c) Deferred Tax Assets (Net)	4	2,27,61,570	2,44,00,968
d) Other Non-Current Assets			
(2) Current Assets			
a) Inventories	5	6,01,16,895	8,02,15,304
b) Financial Assets			
i) Current Investments	6	37,41,72,532	54,67,31,887
ii) Trade Receivables	7	2,20,10,473	4,42,53,643
iii) Cash and Cash Equivalents	8	11,38,27,944	15,83,17,409
iv) Bank Balance other than iii above	9	3,33,13,739	1,00,36,922
v) Loans	10	3,89,14,60,294	2,88,51,73,262
vi) Others	11	4,04,00,909	3,10,58,337
c) Current Tax Assets	12	14,58,00,020	11,74,98,443
d) Other Current Assets	13	96,93,673	57,75,533
TOTAL		5,35,20,88,802	4,55,45,67,598
EQUITY AND LIABILITIES			
EQUITY			
Shri Laxmi Ji		1	1
a) Equity Capital	14	1,02,80,000	1,02,80,000
b) Other Equity	15	4,25,73,87,281	3,92,20,90,782
LIABILITIES			
(1) Non-Current Liabilities			
a) Financial Liabilities			
i) Other Financial Liabilities	16	8,45,100	-
b) Provisions	17	1,98,12,623	1,92,28,295
(2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	18	79,42,53,494	33,05,42,946
ii) Trade Payables	19	4,02,63,187	4,32,84,571
iii) Other Financial Liabilities	20	3,20,000	37,25,820.00
b) Other Current Liabilities	21	10,93,01,673	12,92,18,943
c) Provisions	22	11,96,25,442	9,61,96,240
TOTAL		5,35,20,88,802	4,55,45,67,598

The accompanying accounting policies and notes form an integral part of the consolidated financial statements.

PLACE: CHANDIGARH

Dated : 08.06.2021

For & on Behalf of Board of Directors

DHARAM PAL SHARMA
Whole Time Director
DIN- 07284332
House no. 5063, MHC,
Manimajra, 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

BHUPINDER KAUR
Chief Financial Officer
FCA-508485
H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

For **RAJIV GOEL AND ASSOCIATES**
CHARTERED ACCOUNTANTS
(FRN – 011106N)

CA. ROHIT GOEL
Partner
(M. No. 091756)

PAUL MERCHANTS LTD
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MAR 2021

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	CURRENT YEAR 31.03.2021	PREVIOUS YEAR 31.03.2020
I. REVENUE			
Revenue from Operations	23	30,35,07,95,455	54,01,12,34,546
Other Income	24	7,60,78,268	4,95,41,295
III Total Income (I+II)		30,42,68,73,723	54,06,07,75,841
IV. EXPENSES			
Purchase of Foreign Exchange, stock and Services	25	29,15,84,26,444	52,72,61,10,374
Changes in Inventories of Stock in Trade	26	2,00,33,250	-3,35,24,924
Direct Expenses	27	34,92,50,963	52,67,59,252
Office & Administrative Expenses	28	13,16,90,649	13,56,21,695
Employee Benefit Expenses	29	23,18,20,497	25,70,06,299
Finance Costs	30	4,80,42,332	2,45,99,528
Sales Promotion Expenses	31	55,32,100	1,18,01,407
Corporate Social Responsibility Expenses	32	63,55,847	56,08,327
Other Expenses	33	35,86,899	9,79,543
Depreciation	1	2,98,93,402	3,22,62,126
TOTAL EXPENSES IV		29,98,46,32,382	53,68,72,23,627
V. PROFIT BEFORE EXCEPTIONAL ITEMS & TAX (III - IV)		44,22,41,340	37,35,52,214
VI. EXCEPTIONAL ITEMS	34	-	1,29,17,116
VII. PROFIT BEFORE TAX (V - VI)		44,22,41,340	36,06,35,098
VIII. TAX EXPENSE			
(1) Current Tax		10,28,17,108	8,16,58,886
(2) Prior Period Tax		-8,01,677	9,46,502
(2) Deferred Tax	40	13,69,019	1,13,05,420
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII - VIII)		33,88,56,890	26,67,24,290
X Profit/Loss from Discontinued Operations		-	-
XI Tax Expense of Discontinued Operations		-	-
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X-XI)		-	-
XII Share of Profit (Loss) of associates and joint ventures accounted for using equity method	37	(43,64,306)	(29,82,884)
XIII PROFIT/(LOSS) FOR THE PERIOD (IX+XII)		33,44,92,584	26,37,41,406
XIV OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to profit or loss- Remeasurement Gain(Loss) on defined benefit obligations		10,74,293	-30,62,976
(ii) Income tax relating to items that will not be reclassified to profit or loss		-2,70,378	7,70,903
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV)		33,52,96,499	26,14,49,333
Profit or loss, attributable to:			
Owners of the Company		33,44,92,584	26,37,41,406
Non-controlling interests		-	-
Total Comprehensive income for the period attributable			
Owners of the Company		33,52,96,499	26,14,49,333
Non-controlling interests		-	-
XVI EARNING PER EQUITY SHARE (FOR CONTINUING OPERATION)	38		
1) BASIC		325.38	256.56
2) DILUTED		325.38	256.56
XVII EARNING PER EQUITY SHARE (FOR DISCONTINUED OPERATION)	38		
1) BASIC		-	-
2) DILUTED		-	-
XVIII EARNING PER EQUITY SHARE (FOR CONTINUING & DISCONTINUED OPERATION)	38		
1) BASIC		325.38	256.56
2) DILUTED		325.38	256.56

The accompanying accounting policies and notes form an integral part of the standalone financial statements.

PLACE: CHANDIGARH
Dated : 08.06.2021

For & on Behalf of Board of Directors

DHARAM PAL SHARMA
Whole Time Director
DIN- 07284332
House no. 5063, MHC,
Manimajra, 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

BHUPINDER KAUR
Chief Financial Officer
FCA-508485
H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

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

For **RAJIV GOEL AND ASSOCIATES**
CHARTERED ACCOUNTANTS
(FRN - 011106N)

CA. ROHIT GOEL
Partner
(M. No. 091756)

PAUL MERCHANTS LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

CIN-L74900DL1984PLC018679

A Equity Share Capital

Changes in equity share capital for the year ended

Particulars	31st Mar, 2021	31st March, 2020
	Amount (Rs)	Amount (Rs)
Balance at the beginning of the reporting period	1,02,80,000	1,02,80,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	1,02,80,000	1,02,80,000

B Other Equity

Changes in other equity for the year ended 31st Mar, 2021

Particulars	Reserves and Surplus			Amount (Rs.)
	Security premium Account	Other Statutory reserve	Retained Earnings	Total
Balance as on 01.04.2020	75,95,07,882	4,60,28,661	3,11,65,54,239	3,92,20,90,782
Net Profit / Loss for the year			33,44,92,584	33,44,92,584
OCI -Remeasurement of net defined benefit plans			8,03,915	8,03,915
Dividend			-	-
Transfer to Statutory Reserves		3,92,39,803	(3,92,39,803)	-
Balance as on 31.03.2021	75,95,07,882	8,52,68,464	3,41,26,10,935	4,25,73,87,281

Changes in other equity for the year ended 31st March, 2020

Particulars	Reserves and Surplus			Amount (Rs.)
	Security premium Account	Other Statutory reserve	Retained Earnings	Total
Balance as on 01.04.2019	75,95,07,882	1,58,90,406	2,88,83,49,832	3,66,37,48,120
Net Profit / Loss for the year			26,37,41,406	26,37,41,406
OCI -Remeasurement of net defined benefit plans			(22,92,073)	(22,92,073)
Dividend			(31,06,670)	(31,06,670)
Transfer to Statutory Reserves		3,01,38,255	(3,01,38,255)	-
Non Controlling Interest Acquired				-
Balance as on 31.03.2020	75,95,07,882	4,60,28,661	3,11,65,54,239	3,92,20,90,782

PLACE: CHANDIGARH

Dated : 08.06.2021

For & on Behalf of Board of Directors

DHARAM PAL SHARMA
Whole Time Director
DIN- 07284332
 House no. 5063, MHC,
 Manimajra, 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

BHUPINDER KAUR
Chief Financial Officer
FCA-508485
 H. No. 5, ASTHA ENCLAVE-2
 Sec. 127, MOHALI

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

For RAJIV GOEL AND ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN – 011106N)

CA. ROHIT GOEL
Partner
(M. No. 091756)

PAUL MERCHANTS LTD

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31ST MARCH, 2021

CIN-L74900DL1984PLC018679

Amount (in Rs.)

PARTICULARS	CURRENT YEAR 31.03.2021	PREVIOUS YEAR 31.03.2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	44,22,41,340	35,76,52,214
Adjustment for:		
Depreciation	2,98,93,402	3,22,62,126
Profit/Loss on Sale of Fixed Assets	(24,48,122)	1,13,95,390
Provision for Expected Credit Loss	17,72,102	-
Share in loss of JV	(43,64,306)	-
Gain on Sale of Investments	(2,57,88,391)	(1,16,05,852)
Unrealized Gain on Sale of Investments	(98,28,032)	-
Finance Cost	4,80,42,332	2,45,99,528
Short Term Provisions	2,34,29,202	2,63,12,956
Long Term Provisions	5,84,328	28,34,366
Rental Income	(87,46,606)	(66,49,019)
Interest Income	(2,38,28,989)	(2,56,82,939)
Dividend Received	(6,88,632)	(43,80,682)
Other Comprehensive Income	10,74,293	(30,62,976)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	47,13,43,922	40,36,75,112
Adjustment for :		
Net changes in operating Assets & Liabilities		
Inventory	2,00,98,410	(3,35,24,924)
Trade receivable	2,22,43,170	(71,60,260)
Other Bank Balance	(2,32,76,818)	6,14,957
Short Term Loans & Advances	(1,01,56,29,604)	(1,12,48,22,323)
Current Tax Assets	(2,83,01,577)	(3,63,27,536)
Other Current Assets	(39,18,140)	(8,41,560)
Trade Payables	(30,21,384)	3,18,38,282
Other Current Liabilities	(1,99,17,270)	1,90,56,295
CASH FROM/(USED IN) OPERATIONS	(58,37,85,110)	(74,74,91,956)
Income Taxes Paid	(10,20,15,431)	(8,18,34,486)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(68,58,00,542)	(82,93,26,442)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	1,05,60,364	10,24,65,197
Purchase of Fixed Assets	(3,15,18,295)	(2,90,35,288)
Movement in Current Investments	20,81,75,778	44,48,42,993
Movement in Non Current Investments	43,15,685	29,82,884
Movement in Other Non Current Assets	-	17,67,31,050
Rental Income	87,46,606	66,49,019
Interest Income	2,38,28,989	2,56,82,939
Dividend Income	6,88,632	43,80,682
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	22,56,42,859	73,46,99,476
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid (Including Dividend Distribution Tax)	-	(31,06,670)
Borrowings (Net of Repayments)		
Long Term Borrowings	-	-
Short Term Borrowings	46,37,10,549	16,21,02,371
Finance Cost	(4,80,42,332)	(2,45,99,528)
NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	41,56,68,217	13,43,96,173
Net Change in Cash & Cash Equivalents (A+B+C)	(4,44,89,466)	3,97,69,207
Cash and Cash equivalent at the beginning of the year	15,83,17,409	11,85,48,203
Cash and Cash equivalents at the end of the year	11,38,27,943	15,83,17,409

Place : Chandigarh.

Dated : 08.06.2021

For & on behalf of Board of Directors

(HARDAM SINGH)
Company Secretary
FCS-5046

H. No. 12D, Angel Appt.
Zirakpur

(BHUPINDER KAUR)
Chief Financial Officer
FCA-508485

H. No. 5, ASTHA ENCLAVE-2
Sec. 127, MOHALI

(RAJNEESH BANSAL)
Managing Director
DIN-00077230

H. No. 749,
Sec 8, Chandigarh

(DHARAM PAL SHARMA)
Whole Time Director
DIN- 07284332

5063, MHC
Manimajra, Chandigarh

AUDITOR'S CERTIFICATE

We have examined the Cash flow Statement of Paul Merchants Limited for the year ended 31st March 2020. 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 : 08.06.2021

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.

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.

D. Basis of Consolidation

The investment in Malaysian Joint Venture, Paul Tech Park LLP and Paul Innovations LLP 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.

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.

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

- 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.
- 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 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 as Income.

WIP is stated at cost incurred towards development of Travel Software for onward Sales.

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 2021 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 liability

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 MAR 2021

Note 1: PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Gross Block (Amount in Rupees)				Accumulated Depreciation (Amount in Rupees)				Net Block (Amount in Rupees)	
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31st Mar 2021	Balance as at 1 April 2020	Depreciation charge for the year	On disposals	Balance as at 31st Mar 2021	Balance as at 31st Mar 2020	Balance as at 31st Mar 2021
Land	37,53,86,517	-	-	37,53,86,517	-	-	-	-	37,53,86,517	37,53,86,517
Buildings	26,22,75,981	-	79,65,545	25,43,10,436	5,80,60,202	99,02,569	9,42,827	6,70,19,944	20,42,15,779	18,72,90,492
Computers & Desktop	3,75,91,051	21,12,277	13,72,093	3,83,31,235	3,23,17,851	29,90,725	12,91,395	3,40,17,180	52,73,200	43,14,055
Servers & Networks	81,08,053	-	-	81,08,053	71,25,434	3,01,343	-	74,26,777	9,82,619	6,81,276
Furniture and Fittings	4,28,67,818	19,00,872	3,35,554	4,44,33,136	3,00,76,836	31,45,757	3,10,369	3,29,12,224	1,27,90,981	1,15,20,912
Motor Cars	6,43,77,050	72,02,268	48,69,100	6,67,10,218	3,92,01,070	83,68,437	39,28,106	4,36,41,401	2,51,75,980	2,30,68,817
Motor Cycles	1,35,417	-	-	1,35,417	86,977	12,312	-	99,289	48,441	36,129
Office Equipments	1,42,23,705	12,54,345	3,14,165	1,51,63,885	1,16,81,113	12,24,751	2,94,719	1,26,11,145	25,42,592	25,52,740
Electrical Installations & Equipments	1,70,07,398	15,33,751	2,81,980	1,82,59,169	1,34,95,953	11,28,803	2,58,778	1,43,65,979	35,11,445	38,93,190
Plant & Machinery	1,29,79,866	1,10,48,636	-	2,40,28,502	38,53,152	25,47,216	-	64,00,369	91,26,714	1,76,28,134
Leasehold Improvements	37,29,942	-	-	37,29,942	30,82,413	2,71,489	-	33,53,902	6,47,530	3,76,041
Intangible Assets										
Software	-	4,90,948	-	4,90,948	-	-	-	-	-	4,90,948
Intangible Assets Under Development										
Computer Software	-	59,75,199	-	59,75,199	-	-	-	-	-	59,75,199
Total Current Year	83,86,82,798	3,15,18,295	1,51,38,437	85,50,62,656	19,89,81,001	2,98,93,402	70,26,195	22,18,48,208	63,97,01,797	63,32,14,448
Total Previous Year	94,53,53,349	2,90,35,288	13,57,05,840	83,86,82,798	18,85,64,128	3,22,62,126	2,18,45,253	19,89,81,001	75,67,89,221	63,97,01,797

* Land & Building at SCO 827-828, Chandigarh mortgaged with ICICI Bank Limited and at # 749 Sector 8 Chandigarh & DSM 335-337, DLF Delhi mortgaged with State Bank of India for OD limit taken by Wholly owned subsidiary - Paul Merchants Finance Private Limited.

Note 2: FINANCIAL ASSETS - NON CURRENT INVESTMENTS

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
Investments (unquoted, fully paid up, at cost)		
19.42% JV Investment (Previous Year 19.42%) in Horizon Remit SDN BHD, Malaysia	-	43,15,685
Total	-	43,15,685

* The Company has provided for impairment in value of its investment in Malaysian Joint Venture Horizon Remit Sdn. Bhd. amounting to Rs 304.72 Lakhs. This impairment has been chiefly triggered due to significant financial difficulties faced by said JV for the past some time which got irreparably aggravated post outbreak of Covid-19 as a result of which the JV has continued to incur significant losses. The entire cost of investment has been recognised as impairment loss as the net recoverable amount after adjusting for costs of disposal associated with the investment is evaluated to be Nil basis financial statements of the JV. Share of Loss in JV is recognized in consolidated financial statements only to extent of cost of Investments in accordance with applicable IND As 28. Pls also refer to Note 36 and Note 37

Note 3: OTHER NON CURRENT FINANCIAL ASSETS

	As at 31st Mar 2021	As at 31st Mar 2020
Advance against Property	70,88,408	70,88,408
Less: Provision for Expected credit Loss	(17,72,102)	
Total	53,16,306	70,88,408

Note 4: DEFERRED TAX ASSETS

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
Opening Balances	2,44,00,967	3,57,06,388
Add/Less: Deferred Tax Assets created/(written back) during the year	(16,39,397)	(1,13,05,420)
Total	2,27,61,570	2,44,00,968

Note 5: INVENTORIES

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
Stock of Foreign Currency at Cost	4,73,35,045	6,94,48,944
Stock Of Shares at Cost	-	65,160
Work in Progress*	20,80,650	
PML Realtor's Stock	1,07,01,200	1,07,01,200
Total	6,01,16,895	8,02,15,304

* Amount incurred towards Development of Travel Software for Sale

Note 6: FINANCIAL ASSETS -CURRENT INVESTMENTS

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Investments measured at Fair Value Through Profit & Loss		
Investment in Mutual Funds Quoted at FVTPL		
Aditya Birla Sun Life Corporate Bond Fund	32,971	29,519
Aditya Birla Sunlife Pure Value Fund	-	8,15,491
Axis Focused 25 Fund Direct Plan Growth	13,16,472	8,12,264
Axis Liquid Fund	-	1,08,433
HDFC Liquid Fund Direct Plan Growth	-	2,18,207
HDFC Capital BuilderFund- Growth	-	9,05,502
HDFC MID-CAP Opportunities Fund - Growth	-	1,32,229
HDFC Small Cap Fund Direct Plan Growth	12,07,970	5,88,248
HDFC Equity Savings Fund Direct Plan Growth Folio	7,36,868	4,20,528
L&T India Value Fund-Regular Plan -Growth	-	4,39,893
L&T Liquid Fund	4,55,397	4,39,898
L&T India Value Fund Direct Plan Growth	4,50,927	2,42,156
IDFC Fixed Term Plan Series 149 Direct Plan	3,74,91,600	3,45,24,600
IDFC Sterling Equity Fund Regular Plan Growth	-	5,44,470
Kotak Liquid Fund	-	1,06,871
Kotak Standard Multicap Fund Direct Plan Growth	12,44,427	7,40,425
Mirae Asset Cash Management Fund	-	1,07,002
Mirae Asset India Equity Fund Direct Plan	12,57,082	7,37,142
Ask Domestic Resurgence Protfolio- Equity Funds	35,61,587	21,31,456
ASK IEP PMS	35,58,235	21,11,143
L & T ULTRA SHORT TERM (G)	7,04,991	
HDFC ULTRA SHORT TERM FUND-REGULAR PLAN GROWTH	10,09,434	
Aditya Birla Sunlife Liquid Fund INF209K01RU9	14,61,862	
HDFC Liquid Fund _ 13393612/56	7,05,158	
IDFC Money Manager Fund INF194K01LG9	10,95,851	
Investments in Tax Free Bonds -Quoted at FVTPL- Pledged *		
7.03 % Housing and Urban Development Corporation Limited	1,26,77,254	1,24,14,435
8.56 % Housing and Urban Development Corporation Limited	2,72,59,750	2,58,62,227
8.48% India Infrastructure Finance Company Limited	6,44,67,803	6,12,28,318
8.54% Power Finance Corporation Limited	6,41,75,816	6,08,41,167
Rural Electrification Corporation Limited	2,45,20,110	2,32,92,342
7.22% Rural Electrification Corporation Limited	1,39,82,771	1,37,73,752
7.55% Indian Railway Finance corporation	2,10,02,549	2,11,22,978
8.20% NHAI 2022	2,14,75,859	2,16,36,519
8.20% Power Finance Corporation Ltd	1,49,31,102	1,50,91,658
7.62% HUDCO 11 Nov 21	2,09,10,148	2,10,93,559
6.70% IRFC 8 March 2020	-	-
8.23% IRFC 18 Feb 24	58,55,089	57,91,680

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Investments in Listed Non convertible Debentures -Quoted at FVTPL		
Kotak Mahindra Prime Limited 8.70% MLD	-	4,60,52,000
Aditya Birla Finance Limited MLD NCD	-	3,35,31,000
HDB Financial Services Limited MLD	-	3,30,66,000
Muthoot Finance Limited 9.5% MLD	-	10,03,210
Tata Capital Financial Services Ltd MLD	-	2,21,44,000
Tata Capital Financial Services Ltd MLD ASK	-	3,30,21,000
Investments in Bonds and debentures -Unquoted at FVTPL		
Rural Electrification Corporation Limited -Capital Gain Bonds	-	51,96,875
Investments in Preference Shares- Quoted at FVTPL		
6% Zee Entertainment Enterprises Limited	56,42,192	89,04,384
Investments in Equity Shares- Quoted at FVTPL	1,54,602	
Investments in Equity- Unquoted at FVTPL	3,843	
Investments in Structured Entity - Unquoted at FVTPL		
Aventus Enhanced Return Fund Class A1 Folio No. 32	-	1,57,00,931
India Real Estate Fund	2,07,20,000	1,95,14,800
Investments in Partnership Firm - Unquoted at FVTPL		
Investment in Paul Tech Park LLP formerly known as Paul and Singla Realtors LLP	-	2,93,575
Total	37,41,72,532	54,67,31,887

*As on 31 March 2021 Tax free bonds and IDFC Fixed Term Plan Valued at Rs 3287 lacs (Previous Year Tax Rs 2821 Lacs) are pledged with Kotak Bank for Overdraft limits taken by Paul Merchants Finance Private limited (Wholly owned Subsidiary of the company)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Aggregate Value of Quoted Investments	35,34,48,689	50,60,25,707
Aggregate Value of Unquoted Investments	2,07,23,843	4,07,06,181
Total	37,41,72,532	54,67,31,887

Note 7: FINANCIAL ASSETS- TRADE RECEIVABLES

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
A. Trade receivables		
Trade Receivables Secured, considered good		
Trade Receivables Unsecured, considered good	2,20,10,473	4,42,53,643
Trade Receivables which have significant increase in Credit Risk		
Trade Receivables - Credit impaired.		
Less: Provision for doubtful debts	-	-
	2,20,10,473	4,42,53,643
Total	2,20,10,473	4,42,53,643

Note 8: FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Cash and Cash equivalents		
i) Cash in hand	4,22,88,452	2,34,94,045
ii) In Current Accounts	7,15,39,492	13,48,23,364
	11,38,27,944	15,83,17,409

Note 9: FINANCIAL ASSETS - BALANCE WITH BANKS OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Other Balances with Banks		
i) In Term Deposit Accounts with > 3 month and <12 months maturity	61,30,344	42,49,323
ii) In earmarked Term Deposit Accounts		
a. Pledged FD *	2,10,26,270	-
b. Margin money	57,52,699	54,04,254
c. Guarantees & Other Commitments	3,82,695	3,61,613
iii) In Unclaimed dividend accounts	21,732	21,732
Total	3,33,13,739	1,00,36,922

* 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

Amount (In Rs.)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Loans and advances		
Secured, Considered Good- Gold Loan	3,84,91,59,557	2,66,35,33,913
Unsecured, Considered Good	4,23,00,737	22,16,39,349
Total	3,89,14,60,294	2,88,51,73,262

Note 11: FINANCIAL ASSETS - SHORT TERM ADVANCES

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Others		
Unsecured, Considered Good		
1. Advances to Other Parties (Net)	94,17,109	1,39,87,088
2. Security Deposits	2,93,48,920	1,59,92,181
3. Staff Imprest	10,88,978	5,12,057
4. Claims Recoverable	5,45,902	5,67,011
Total	4,04,00,909	3,10,58,337

Note 12: Current tax Assets

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Balances with government authorities		
a. GST Input Credit	61,67,257	28,30,188
b. Advance Tax	4,37,00,000	5,05,00,000
c. Tax Deducted at Source	6,18,45,819	3,19,67,753
d. Tax Refund	3,40,86,944	3,22,00,502
Total	14,58,00,020	11,74,98,443

Note 13: OTHER CURRENT ASSETS

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Prepaid expenses	95,16,917	54,22,022
Preliminary expenses	1,76,756	3,53,511
Total	96,93,673	57,75,533

Note 14: EQUITY SHARE CAPITAL

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

Particulars	As at 31st Mar 2021		As at 31st Mar 2020	
	Number	Amount (In Rs.)	Number	Amount (In Rs.)
Authorised Equity Shares of Rs. 10 each	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Issued, Subscribed & fully Paid up Equity Shares of Rs. 10 each fully paid	10,28,000	1,02,80,000	10,28,000	1,02,80,000
Total	10,28,000	1,02,80,000	10,28,000	1,02,80,000

B. Reconciliation of Number of Shares Outstanding at the beginning and end of the year

Particulars	Equity Shares			
	As at 31st Mar 2021		As at 31st Mar 2020	
	Number	Amount (In Rs.)	Number	Amount (In Rs.)
Shares outstanding at the beginning of the year	10,28,000	1,02,80,000	10,28,000	1,02,80,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,28,000	1,02,80,000	10,28,000	1,02,80,000

C. Rights, Preferences and Restrictions attaching to various classes of Shares

Class of Shares	Rights, Preferences and Restrictions attaching to various classes of Shares
Equity Shares	No Special Rights, Preferences & Restrictions Attached

D. Shares in the company held by each shareholder holding more than 5% shares

Name of Shareholder (Mr./Mrs.)	Equity Shares			
	As at 31st Mar 2021		As at 31st Mar 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sarita Rani Bansal	3,45,600	33.62	3,45,600	33.62
Rajneesh Bansal	2,94,253	28.62	1,49,746	14.57
Sandeep Bansal	-	-	1,44,507	14.06
Paul Excursions Pvt. Ltd.	1,02,355	9.96	1,02,355	9.96

Note 15: OTHER EQUITY

Amount (In Rs.)

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
A. Securities Premium Account		
Opening Balance	75,95,07,882	75,95,07,882
Add : Securities premium credited on Share issue	-	-
Total	75,95,07,882	75,95,07,882
Less : Non Controlling Interest	-	-
Closing Balance	75,95,07,882	75,95,07,882
B. Statutory Reserve		
Opening Balance	4,60,28,661	1,58,90,406
(+) Current Year Transfer	3,92,39,803	3,01,38,255
Total	8,52,68,464	4,60,28,661
Less : Non Controlling Interest	-	-
	8,52,68,464	4,60,28,661
B. Impairment Reserve		
Opening Balance	-	-
(+) Current Year Transfer	17,79,567	-
Total	17,79,567	-
Less : Non Controlling Interest	-	-
	17,79,567	-
B. Reserve and Surplus		
Opening Balance	3,11,65,54,239	2,88,83,49,831
(+) Profit for Current Year	33,44,92,584	26,37,41,406
Other Comprehensive Income (net of tax)	8,03,915	(22,92,073)
(-) Dividends (including dividend distribution tax)	-	(31,06,670)
Less: Transferred to Statutory Reserves	(3,92,39,803)	(3,01,38,255)
Less: Transferred to Impairment Reserves	(17,79,567)	-
Less: Loss/change in reserve on acquisition of NCI	-	-
Closing Balance	3,41,08,31,368	3,11,65,54,239
Other Equity Attributable to Owners	4,25,73,87,281	3,92,20,90,782
Total Non Controlling Interest	-	-
Total Other Equity	4,25,73,87,281	3,92,20,90,782

Note 16: OTHER LONG TERM FINANCIAL LIABILITIES

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
Deferred Income	1,08,207	-
Security deposits received	7,36,893	-
Total	8,45,100	-

Note 17: LONG TERM PROVISIONS

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
Provision for employee benefits		
Gratuity - Unfunded	1,98,12,623	1,92,28,295
Total	1,98,12,623	1,92,28,295

CURRENT FINANCIAL LIABILITIES

Note 18: CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
A. SECURED		
Loans repayable on demand- From Banks		
(i) Cash Credit Facility (CC) (Secured by Inventory and Debtors (future & current) and Hypothecation of one Property)	5,07,63,010	72,03,513
(ii) Over Draft Facility (OD) (Secured by Pledged securities and Propoerty of Parent company. Pls refer to note 2, 6 & 36)	66,11,49,553	29,90,78,224
Current maturities of long-term debt		
a. Loans from ICICI Bank (Secured by Hypothecation of Property)	-	3,85,009
b. Car Loans from Daimler Financial Services India Private Ltd (Secured by Hypothecation of Cars)	45,84,570	-
B. UNSECURED		
(i) Loans and advances from related parties	7,77,56,362	2,38,76,199
Total	79,42,53,494	33,05,42,946

Note 19: FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
Sundry Creditors	4,02,63,187	4,32,84,571
Sundry Creditors - Forex	2,91,37,725	3,93,11,342
Sundry Creditors - Travel	23,82,733	15,11,257
Sundry Creditors - Others	87,42,729	24,61,973
Total	4,02,63,187	4,32,84,571

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, 2021. 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 Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
(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

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
Security deposits	3,20,000	37,25,820
Total	3,20,000	37,25,820

Note 21: OTHER CURRENT LIABILITIES

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
(a) Expenses Payable	3,52,91,403	2,46,82,692
(b) Unclaimed dividends	21,732	21,732
(c) Advance From Customer	2,88,85,913	7,10,29,776
(d) Other payables	2,10,44,488	2,54,46,909
(e) Share of Loss in LLP	48,621	-
(f) Statutory Payables		
(i) PF Payable	15,42,631	11,07,417
(ii) ESI Payable	1,72,022	1,10,272
(iii) TDS Payable	46,62,675	31,88,363
(iv) TCS Payable	1,26,94,565	-
(v) GST Payable	49,33,458	36,24,202
(vi) Kerala Cess Payable	4,165	7,580
Total	10,93,01,673	12,92,18,943

Disclosure under Rule 16A of the Companies (Acceptance of Deposits) Rules, 2014

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
Advance Received from Directors	NIL	NIL
Advance Received from relatives of Directors	NIL	NIL

Note 22: SHORT TERMS PROVISIONS

Particulars	As at 31st Mar 2021 Amount (In Rs.)	As at 31st Mar 2020 Amount (In Rs.)
(a) Provision for employee benefits	66,08,228	60,00,491
(b) Others		
Provision for Taxes	10,35,10,539	8,08,87,984
Provision for NPA	95,06,675	32,35,773
Contingent Provision Against Standard Assets	-	60,71,992
Total	11,96,25,442	9,61,96,240

Note 23: REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st Mar 2021 Amount (In Rs.)	For the Year ended 31st Mar 2020 Amount (In Rs.)
Sale of Services		
Foreign Exchange	29,52,59,14,133	53,41,38,38,713
FX Service Charges	2,49,15,118	2,29,24,769
Sales of Air Tickets	-	-
Sales of Hotel Bookings & Packages	9,15,419	2,02,31,568
Revenue from Air Ticketing	41,95,336	1,63,22,802
Revenue from Hotel Bookings & Packages	4,83,811	33,21,122
Revenue from Visa ,Bus Bookings,Railway	1,80,377	13,83,585
Interest Income - Paul Merchants Finance Pvt Limited	59,64,35,832	42,29,53,668
Income from Domestic Money Transfer Service	3,02,09,066	1,21,15,885
Sale of land - PML Realtors Private Limited	11,00,00,000	-
Total - Sale of Services	30,29,32,49,091	53,91,30,92,112
Other Operating Revenues		
Rewards & Incentives	11,44,823	66,07,249
- FX Incentive	97,666	22,34,263
-Travel Incentive	10,47,157	43,72,986
Credit Card Encashment	8,01,555	51,77,155
Other Service charges	5,55,99,985	8,63,58,030
-AD-1 Referral - Commission	5,11,64,304	7,80,92,543
-International Money Transfer- Commission	43,43,490	71,64,554
-Domestic Money Transfer - Commission	92,191	11,00,933
Total - Other Operating Revenues	5,75,46,363	9,81,42,433
Total Revenue From Operations	30,35,07,95,455	54,01,12,34,546

Note 24: OTHER INCOME

Particulars	For the Year ended 31st Mar 2021 Amount (In Rs.)	For the Year ended 31st Mar 2020 Amount (In Rs.)
A. Interest Income		
1. Interest on Bank Deposits	8,98,457	7,08,849
2. Other Interest	2,29,30,532	2,49,74,089
3. Interest on Income Tax Refund	14,29,624	-
B. Dividend Income	6,88,632	43,80,682
C. Net Gain on Sale/Fair Valuation of investments	3,56,16,423	90,88,656
1. Realized Gain on Sale of investments	2,57,88,391	1,16,05,852
2. Net Unrealized gain/ (loss) on financial instruments at fair value through profit or loss	98,28,032	-25,17,196
D. Other non-operating income	1,45,14,600	1,03,89,018
1. Rental Income	87,46,606	66,49,019
2. Profit on sale of Fixed Assets	24,48,122	15,21,726
3. Franchisee Fees	19,490	19,491
4. Miscellaneous Income	32,42,228	21,98,782
5.Fair Valuation gain on Financial Assets	58,154	-
Total	7,60,78,268	4,95,41,295

Note 25: Purchase of Foreign Exchange and Services

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Foreign Exchange	29,05,55,24,180	52,69,78,32,874
Hotel Bookings & Packages	8,21,614	1,75,76,300
Purchase of Land - PML Realtors Private Limited	10,00,00,000	1,07,01,200
Work in progress	20,80,650	-
Total	29,15,84,26,444	52,72,61,10,374

Note 26: Changes in Inventories of Stock in Trade

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Closing Stock	6,01,16,895	8,01,50,144
Opening Stock	8,01,50,144	4,66,25,220
NET DECREASE/(INCREASE)	2,00,33,250	-3,35,24,924

Note 27: DIRECT EXPENSES

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
COMMISSION AND INCENTIVES	34,92,50,963	52,67,59,252
Forex Agents -AD II	30,61,32,809	48,24,52,064
Forex Agents - AD I Referral	2,68,49,149	4,16,14,653
Commission DMT & Indo Nepal	1,62,69,005	26,92,535
Total	34,92,50,963	52,67,59,252

Note 28: OFFICE & ADMINISTRATIVE EXPENSES

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Bad Debts and Balances Written Off	-	1,77,444
Brokerage	65,000	9,50,012
Communication Expenses	33,09,611	39,04,034
Computer Expenses	67,27,205	79,05,966
Conference Expenses	1,09,202	5,70,776
Conveyance Expenses	68,93,312	92,83,009
Generator Running Expenses	64,362	1,23,894
Insurance	72,49,604	48,84,346
Legal, Professional & Outsourcing	2,08,60,662	66,63,861
Statutory Audit Fees	2,40,000	2,32,700
Tax Audit Fees	50,000	50,000
Postage & Telegram	10,91,901	22,80,148
Power and Water Expenses	54,29,747	60,77,116
Printing and stationery	40,95,640	46,30,664
Rates and taxes	11,97,611	21,34,142
Rent	3,23,56,794	3,52,80,195
Repairs and maintenance	1,62,22,552	2,06,50,401
Office maintenance	3,27,645	8,98,829
Security Services	2,01,59,518	1,42,74,787
Travelling Expenses	25,71,273	78,61,327
Vehicle Running & Maintenances	10,80,095	26,32,622
Portfolio Management Services	1,26,224	1,07,066
Preliminary Expense	1,76,756	1,76,756
Contingent Provision on Standard Assets	-	22,15,597
Provision for Impairment of Loan Asset	10,37,560	-
Provision on NPA	-	15,15,477
Office Expenses	2,48,376	1,40,526
Total	13,16,90,649	13,56,21,695

Payments to the Previous auditor as	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
Statutory Audit Fees	2,40,000	2,32,700
Tax Audit Fees	50,000	50,000
GST Audit fee	1,50,000	-
Total	4,40,000	2,82,700

Note 29: EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Salaries & Benefits	21,07,26,175	23,35,15,441
Contributions to:		
(i) Provident Fund	93,76,168	99,87,999
(ii) ESI	15,46,758	18,33,559
(iii) NPS	1,38,996	3,94,374
Gratuity	41,37,519	41,52,475
Staff Recruitment Expenses	22,750	89,118
Staff welfare expenses	58,72,131	70,33,334
Total	23,18,20,497	25,70,06,299

Note 30: FINANCE COSTS

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Interest Expenses:		
Interest on Demand Loans	3,43,05,553	1,45,55,690
Interest on Term Loans	19,060	31,05,612
Interest on Car Loans	-	43,400
Notional Interest on Security Deposit	58,154	
Other Finance Expenses:		
Bank Charges	1,35,58,130	60,48,948
Credit Card Charges	1,01,435	8,45,878
Total	4,80,42,332	2,45,99,528

Note 31: SALES PROMOTION EXPENSES

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Advertisement & Publicity	46,25,713	65,71,699
Business Promotion	9,06,387	52,29,707
Total	55,32,100	1,18,01,407

Note 32: CSR- CORPORATE SOCIAL RESPONSIBILITY

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
A) Amount Spent During the year	Amount Paid	Amount Paid
Animal Welfare	1,23,200	1,39,200
Promoting Healthcare	27,56,657	23,45,874
Eradicating hunger	24,89,860	15,74,228
Employment enhancing Vocation skills	74,100	77,425
Promoting education	4,71,000	4,71,600
Old Age Home	-	10,00,000
Administrative overheads(Prop Salary of one employee dedicated for CSR activities)	1,90,030	
Restoration of historical sites	2,51,000	
B) AMOUNT YET TO BE PAID	NIL	NIL
Total	63,55,847	56,08,327

Note 33: OTHER EXPENSES

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Donations	10,87,186	1,77,594
Provision for Expected Credit Loss	17,72,102	-
Fees & Subscriptions	7,27,611	8,01,949
Total	35,86,899	9,79,543

Note 34: EXCEPTIONAL ITEMS

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Loss on Sale of Property	-	1,29,17,116

During the year ended March 2020, the company had sold its three properties at Delhi, Chandigarh and Mohali and incurred Net loss on such sale amounting to Rs. 129.17 Lacs. The same is reported as Exceptional Item in the Statement of Profit and Loss.

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 2021 Rs. In Lacs	For the Year ended 31st Mar 2020 Rs. In Lacs
Mr. Sat Paul Bansal	Chairman cum Managing Director till 31.08.2020	166.20	408.00
Mr. Rajneesh Bansal	Executive Director till 31.8.2020 Managing Director w.e.f 01.09.2020	159.68	95.43
Mr. Dharam Pal Sharma	Whole Time Director	8.70	8.78
Total		334.58	512.21

Note 36. CONTINGENT LIABILITY NOT PROVIDED FOR

Particulars	As at 31st Mar 2021 Rs. In Lacs	As at 31st March 2020 Rs. In Lacs
Claims against company not acknowledged as Debt	10.34	143.38
Outstanding Bank Guarantees	20.00	23.62
Service Tax Demand Notice pending Departmental Appeal with High Court (excl. Interest) including Penalty	670.84	335.42
Corporate Guarantee in Respect of JV in Malaysia	-	1,506.40
Corporate Guarantee in Respect of OD Limits taken by Paul Merchants Finance Private Limited Company from Kotak Bank , ICICI Bank and State Bank of India	9,990.00	4,000.00
Income Tax Demand Notice pending before AO for rectification	211.72	-
Demand by Enforcement Directorate	540.00	-
Liability in respect of Malaysia JV (Please refer to Note 37)	95.48	-
Total	11,538.38	6,008.82

Note 37. Joint Venture/LLP

The company has a Joint Venture (JV) in Malaysia named M/s Horizon Remit SDN BHD (formerly 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 2021	As at 31 March 2020
Interest in JV (%)	19.42%	19.42%
Investment in JV	304.72	304.72
Less: Impairment Loss	(304.72)	
Value of Capitalized Investment in JV	-	304.72
Proportional Interest in		
- Assets	26.06	53.26
- Liabilities	96.60	44.71
Share of Income/(Loss) from JV	(76.82)	(29.83)
Expenditure Incurred	-	-

Horizon Remit SDN BHD- During the year, the Company has provided for impairment in value of its investment in Malaysian Joint Venture Horizon Remit Sdn. Bhd. amounting to Rs 304.72 Lakhs. This impairment has 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 has continued to incur significant losses. The entire cost of investment has been recognised as impairment loss as the net recoverable amount after adjusting for costs of disposal associated with the investment evaluated to be Nil basis financial statements of the JV.

As per financial statements of said JV, total share of loss of the company during the year is Rs 76.82 Lacs, However, In the above consolidated financial statements, the company has recognised the share of its loss upto the cost of investment in joint venture in accordance with Ind AS 28 as a result of which the Value of the interest in JV is reflected at Rs. Nil. Further, the JV Company has been in distressed financial condition at present, with its liabilities exceeding its assets. Accordingly, as per estimation by management, the total funds requirement in the JV Company may be around USD 650000 and Paul Merchants Ltd. may need to infuse further funds up to USD 130000 subject to approval by RBI. Pls refer to Note 36

Paul Innovations LLP - During the year, the company has entered into partnership agreement with Espranza Innovations Private Limited. The share of loss of Rs 0.03 Lacs during the year in said LLP. There is no capital contribution made during the year in said LLP.

Paul Tech Park LLP (earlier known as Paul & Singla Realtors LLP)- During the year, The company became designated partner in Paul Tech Park LLP. The Share of loss in said LLP for the year amounts to Rs 0.46 Lacs. There is no capital contribution made during the year.

Note 38. Earnings per Share

Particulars	As at 31st Mar 2021	As at 31st March 2020
	Amount (In Rs.)	Amount (In Rs.)
Earnings per Share- Continuing Operations		
Net Profit for the Year (Rs.)	33,44,92,584	26,37,41,406
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	325.38	256.56
Earnings per Share - Discontinued Operations		
Net Profit for the Year (Rs.)	-	-
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	-	-
Earnings per Share - Continuing and Discontinued Operations		
Net Profit for the Year (Rs.)	33,44,92,584	26,37,41,406
Number of Equity Shares (Nos.)	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share)	325.38	256.56

Note 39. Related Party Disclosures(Disclosure as per *Ind AS 24*)**A. List of Related Parties**

Name of Related Party	Relationship
Sat Paul Bansal	Chairman cum Managing Director till 31 August 2020
Rajneesh Bansal	Executive Director till 31.8.2020 Managing Director w.e.f 01.09.2020
Dharam Pal Sharma	Whole Time Director & Designated Director
Sarita Rani Bansal	Non-Executive Director
Sandeep Bansal	Non-Executive Director
Nita Bansal	Relative of Director
Bhupinder Kaur	Key Management Personnel- CFO
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 Distributors	Sole Proprietorship of which Director is a proprietor
Paul Tech Pak LLP(Previously known as Paul and Singla Realtors LLP)	LLP in which company is designated partner
Paul E-commerce Private Limited	Private company in which directors of the company are Directors.
Paul Excursions Private Limited	Private company in which directors of the company are Directors.
Paul Overseas Private Limited	Private company in which directors of the company are Directors.
Paul Fast Remit Private Limited	Private company in which directors of the company are Directors.
Talk More Communications Private Limited	Private Company in which One Director is Director.
PML Holidays 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 Mar 2021

(Rs. In Lacs)

Nature of Transaction	Directors	Key Management Personnel	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

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:

Nature of Transaction	Directors	Key Management Personnel	Subsidiary	Related Party	Total
Balance as on 31st March 2021					
Outstanding Unsecured Loan to Paul Merchants Finance Private Limited	-	-	13,788.50	-	13,788.50
Paul Innovations LLP				0.43	0.43

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 and State Bank of India

D. Related Party Transactions in Ordinary Course of Business for the Previous Year ended 31st Mar 2020

(Rs. In Lacs)

Nature of Transaction	Directors	Key Management Personnel	Wholly Owned Subsidiary	Related Party	Total
Managerial Remuneration - Whole Time Directors	512.21		-	-	512.21
Remuneration - KMPs		45.69	-	-	45.69
Rent Paid for Premises	22.85		1.08	7.81	31.74
Rent Received	-	-	20.21	7.94	28.15
Net Service Charges Earned - Indo Nepal & DMT from Paul Merchants Finance Private Limited	-	-	17.67	-	17.67
Net additional working capital limit issued to Paul Merchants Finance Private Limited during the year	-	-	6,681.50	-	6,681.50
Interest earned from Paul Merchants Finance Private Limited on Working Capital limit	-	-	804.35	-	804.35
Security Expense paid	-	-	6.48	-	6.48
Dividend Received	-	-	49.63	-	49.63
Commission for cross reference Sales	-	-	0.89	-	0.89
Sale of Goods/Services	-	-	24.63	13.65	38.28

E. Related Party Outstanding Balance as on 31 March 2020

Outstanding Unsecured Loan to Paul merchants Finance Private Limited	-	-	10,171.50	-	10,171.50
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Note 40. Deferred Tax

(As per IND AS 12 Income taxes)

Deferred Tax Assets on Account of Timing Differences	As at 01.04.2020	Arising During the Year	As at 31.03.2021
Depreciation	1,70,67,554	(45,79,103)	1,24,88,451
Provision for Gratuity	50,30,978	1,27,954	51,58,932
Provision for Bonus	16,27,704	(10,12,020)	6,15,684
Provision for Leave encashment	38,366	(38,366)	-
Unrealized Loss on Investments	6,36,366	(6,36,366)	-
Impairment Loss	-	69,72,022	69,72,022
Deferred Tax Liability			
Unrealized Gain on Investments	-	(24,73,519)	(24,73,519)
Net Deferred Tax Asset	2,44,00,968	(16,39,397)	2,27,61,571

Note 41. Segment Reporting

As per IND AS-108 on Segment Reporting, segment Information is provided below:

(Amount Rs in Lacs)

Sr. No	PARTICULARS	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
1	Segment Revenue		
(a)	Forex	2,96,029	5,35,223
(b)	Travel	68	456
(c)	Others	7,411	4,433
	Total	3,03,508	5,40,112
	Less: Inter Segment Revenue		
(a)	Forex	-	-
(b)	Travel	-	-
(c)	Others	-	-
	Net sales/Income From Operations	3,03,508	5,40,112
2	Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#		
(a)	Forex	240	1,076
(c)	Travel	-39	105
(d)	Others	4,466	3,070
	Total	4667	4251
	Less:		
i)	Interest	480	246
ii)	Other Un-allocable Expenditure net off	525	894
iii)	Un-allocable income	761	495
	Total Profit Before Tax	4,422	3,606
3	Segment Assets		
(a)	Segment - Forex	1,967	2,358
(b)	Segment - Travel	153	204
(c)	Segment - Others	37,531	27,044
(d)	Unallocated Assets	13,870	15,940
	Total	53,521	45,546
4	Segment Liabilites		
(a)	Segment - Forex	1,484	1,586
(b)	Segment - Travel	47	61
(c)	Segment - Others	-	-
(d)	Unallocated Liabilities	9,313	4,575
	Total	10,844	6,222
5	Capital Employed		
(a)	Forex	484	772
(b)	Travel	106	143
(c)	Others	37,531	27,044
(d)	Unallocated Assets	13,870	15,940
(e)	Unallocated Liabilities	9,313	4,575
	Total	42,677	39,324

Note 42. Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements

Name of the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in comprehensive income		Share in Total comprehensive Income	
	as %age of consolidated net assets	Amount (Rs in Lacs)	as %age of consolidated profit or loss	Amount (Rs in Lacs)	as %age of consolidated other comprehensive income	Amount	as %age of consolidated total comprehensive income	Amount (Rs in Lacs)
Paul Merchant Limited	68.21%	40,418.65	38.55%	1,267.73	81%	6.47	38.65%	1,274.21
Subsidiary Companies:		-		-				
Paul Fincap Private Limited	27.38%	16,222.33	60.16%	1,978.22	19.46%	1.56	60.06%	1,979.79
PML Realtors Private Limited	4.41%	2,612.46	2.62%	86.03	-	-	2.61%	86.03
Joint Venture (Investment as per Equity Method):							0	
M/s Horizon Remit BHD. SDN. , Malaysia	-	-	-1.31%	(43.16)	-	-	-1.31%	(43.16)
Paul Tech Park LLP	-	-	-0.01%	(0.46)	-	-	-0.01%	(0.46)
Paul Innovations LLP	-	-	0.00%	(0.03)	-	-	0.00%	(0.03)
Sub Total	100.00%	59,253.43	100%	3,288.34	100%	8.04	100%	3,296.38
Adjustments arising out of consolidation		(16,576.76)		56.58				56.58
TOTAL		42,676.67		3,344.93		8.04		3,352.97

Note 43. Other Notes

- a Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.
- b 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.
- c The previous Year figures have been regrouped/re-classified/re-stated wherever necessary to conform with the current presentation.
- d Notes form integral part of Accounts for the year ending 31st March 2021

PLACE: CHANDIGARH

Dated : 08.06.2021

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

For & on Behalf of Board of Directors

DHARAM PAL SHARMA

Whole Time Director

DIN- 07284332

H.No. 5063, MHC

Manimajra, 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

BHUPINDER KAUR

Chief Financial Officer

FCA-508485

H. No. 5, ASTHA ENCLAVE-2

Sec. 127, MOHALI

CA. ROHIT GOEL

Partner

(M. No. 091756)



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