



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

PML/BSE/AGM/2024/121
Date: August 28, 2024

SUBJECT:- NOTICE OF THE 40TH ANNUAL GENERAL MEETING

SCRIP CODE: 539113

Dear Sir/ Madam,

This is for your information that the 40th Annual General Meeting of the Company is scheduled to be held on Thursday, the 26th day of September, 2024 at 12.00 Noon (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in compliance with the General Circular No. 09/2023 dated September 25, 2023 issued by MCA read over with its earlier Circulars with particular reference to 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 on the subject and Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by Securities and Exchange Board of India (SEBI) read over with its earlier circulars on the subject. Please find attached herewith the Notice convening the 40th Annual General Meeting of the Company.

The said Notice is also available on the website of the Company at <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/08/Notice-of-AGM-Paul-Merchants-Limited.pdf>

You are requested to take the same on your records.

Thanking You.

Yours faithfully,

For **PAUL MERCHANTS LIMITED,**

(HARDAM SINGH)
COMPANY SECRETARY & COMPLIANCE OFFICER
FCS 5046

Encl: Notice of the 40th AGM

CC to:

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| National Securities Depository Limited, Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013 | Central Depository Services (India) Ltd, Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg Lower Parel, Mumbai 400013 |
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PAUL MERCHANTS LTD.[®]
(An ISO 9001:2015 Certified Co.) (CIN: L74900DL1984PLC018679)

CORP. OFF.: PML House, SCO 829-830, Sector 22-A, Chandigarh - 160 022 Ph. 0172-5041786, 5025090 Fax : 0172-5041713

E-mail : info@paulmerchants.net Website : www.paulmerchants.net

REGD. OFF.: DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi-110015 Ph. : 011-47529460

NOTICE

NOTICE is hereby given that 40th Annual General Meeting of the Shareholders of M/s Paul Merchants Limited will be held on Thursday, the 26th day of September, 2024 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, 2024 and the Reports of the Board of Directors and Auditors thereon, and in this regard, pass the following resolution as an Ordinary Resolution:-**

“**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon, as laid before this Meeting, be and are hereby received, considered and adopted.”

- 2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024 and the Report of the Auditors thereon, and in this regard, pass the following resolution as an Ordinary Resolution:-**

“**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, and the reports of the Auditors thereon, as laid before this Meeting, be and are hereby received, considered and adopted.”

- 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, and in this regard, pass the following resolution as a Special Resolution:-**

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act 2013 and Rules framed thereunder, along with Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any Statutory

modification(s) or re-enactment thereof for the time being in force), the extant Rules / Regulations / Guidelines / Notifications and Circulars prescribed by any relevant authorities including but not limited to Reserve Bank of India / Securities Exchange Board of India, and as per the provisions of Articles of Association of the Company, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the shareholders of the company, be and is hereby accorded to the reappointment of Smt. Sarita Rani Bansal (DIN 00094504), who having attained the age of about Seventy Seven (77) years, offers herself for reappointment as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

4. TO REAPPOINT MR. RAJNEESH BANSAL AS MANAGING DIRECTOR OF THE COMPANY

TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) read with Schedule V to the said Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable Rules made under the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any Statutory modification(s) or re-enactment thereof for the time being in force), the extant Rules / Regulations / Guidelines / Notifications and Circulars prescribed by any relevant authorities including but not limited to Reserve Bank of India / Securities Exchange Board of India, and as per the provisions of Articles of Association of the Company, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approvals and compliances as per the applicable provisions of the Act and other applicable Statutes, as may be necessary and subject to the Nomination and Remuneration Policy of the Company, the approval of the Members of the Company be and is hereby accorded to the reappointment of **Sh. Rajneesh Bansal** (DIN 00077230) as Managing Director and a Whole Time Key Managerial Personnel of the Company, not liable to retire by rotation, having substantial powers of management of the affairs of the Company w.e.f. 01-04-2025, for a term of 5 (Five) years ending on 31-03-2030, on the following additional terms and conditions:-

- a. Salary and other benefits like Life Insurance, Personal Accident Insurance, Key Man Insurance, Bonus, Allowances:- Within the range of Rs. 400,00,000/- (Rupees Four Crores Only) per annum to Rs. 8,00,00,000/- (Rupees Eight Crores Only) per annum w.e.f. 01.04.2025.
- b. Commission:- Up to 3% of the Net Profits of the Company computed under Section 198 of the Companies Act, 2013, earned during any financial year based

upon his performance as decided by the Nomination and Remuneration Committee of the Board.

- c. Benefits:- No other benefits, stock options, pension, emoluments, etc.
- d. Service Contract period:- 5 years i.e. from 01-04-2025 till 31-03-2030
- e. Remuneration period :- 3 years i.e. from 01-04-2025 till 31-03-2028
- f. Notice Period:- Three months.
- g. Severance Fees:- No severance fees will be paid to him.
- h. Reimbursement of expenses as per Company's policy.

RESOLVED FURTHER THAT the above remuneration shall be subject to Section 197 and other relevant Sections and Rules under the Companies Act, 2013 and accordingly the payment of Remuneration as above to the Managing Director shall be irrespective of amount of profits of the Company computed under Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Sh. Rajneesh Bansal (DIN 00077230) will be paid the Remuneration as specified above, subject to the provisions of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT with the payment of Remuneration as above to Sh. Rajneesh Bansal (DIN 00077230), Managing Director, the remuneration of other Whole Time Directors and Executive Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year.

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

5. TO APPROVE REVISED REMUNERATION TERM AND REVISED REMUNERATION OF MR. RITESH VAID, WHOLE TIME DESIGNATED DIRECTOR

TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:

"RESOLVED THAT in partial modification of the Special Resolution passed by the Shareholders of the Company through postal ballot by voting through electronic means concluded on March 29, 2022, pursuant to the provisions of Section 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with Schedule V to the said Act, the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 and all other applicable Rules made under the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any Statutory modification(s) or re-enactment thereof for the time being in force), subject to the Articles of Association of the Company, the extant Rules / Regulations / Guidelines / Notifications and Circulars prescribed by any relevant authorities including but not limited to Reserve Bank of India / Securities Exchange Board of India, and as per the provisions of Articles of Association of the Company, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approvals and compliances as per the applicable provisions of the Act and other applicable Statutes, as may be necessary and subject to the Nomination and Remuneration Policy of the Company, the approval of the Members of the Company be and is hereby accorded to the revised remuneration term and revised remuneration of **Sh. Ritesh Vaid (DIN: 09433856)** as Whole Time Designated Director of the Company, on the following terms and conditions:-

- a. Annual Remuneration within the range of Rs. 30 Lakhs to Rs. 50 Lakhs
- b. Benefits:- Performance Bonus within the above range, as decided by Nomination and Remuneration Committee of the Board.
- c. No other benefits, bonuses, stock options, pension etc. will be payable to him during his term.
- d. Other Benefits:- Leave Encashment within the above range as per the Company's Policy and Gratuity as per Payment of Gratuity Act;
- e. Service Contract period:- From 10.02.2022 till 30.09.2026;
- f. Remuneration period :- From 01.10.2024 till 30.09.2026;
- g. Notice Period:- Two months;
- h. Severance Fees:- No severance fees will be paid to him
- i. Fixed Component: Fixed component is his salary;
- j. Performance Linked Incentive:- Performance Linked Incentive within the above range, as decided by Nomination and Remuneration Committee of the Board;
- k. Reimbursements of expenses as per company's policy

RESOLVED FURTHER THAT the above remuneration shall be subject to Section 197 and other relevant Sections and Rules under the Companies Act, 2013 and accordingly the payment of Remuneration as above to Sh. Ritesh Vaid, the Whole Time Designated Director shall be irrespective of amount of profits of the Company computed under Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Sh. Ritesh Vaid (DIN: 09433856) will be paid the Remuneration as specified above, subject to the provisions of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT with the payment of Remuneration as above to Sh. Ritesh Vaid (DIN: 09433856), the remuneration of other Whole Time Directors and Executive Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year.

RESOLVED FURTHER THAT Liberty and Authority be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board to exercise the powers conferred on the Board including the powers conferred under this resolution, to decide all questions arising out of this matter, to take all requisite steps to give effect to this resolution, to fix the remuneration within the above range from time to time, to allow advance against salary upto an amount equal to Six Month’s salary as per Company’s Policy, as amended from time to time, and to vary, alter and modify the terms and conditions governing the remuneration of Mr. Ritesh Vaid (DIN: 09433856) including allowing increments in his remuneration within the range defined in this Resolution, as may be agreed to by the Board or Board Committee and Sh. Ritesh Vaid (DIN: 09433856), subject to the provisions of all applicable Laws.”

Place: Chandigarh
Date: August 13, 2024

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

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

NOTES:

- (1) The Explanatory Statement as required under Section 102 of the Companies Act, 2013 (Act), in respect of item No. 3, 4 and 5 of the Notice convening the Annual General Meeting (AGM) is annexed hereto.
- (2) Ministry of Corporate Affairs (MCA) vide its General Circular No. 09/2023 dated 25.09.2023 read over with its earlier Circulars with particular reference to 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 on the subject and SEBI vide its Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07.10.2023 read over with all its earlier circulars on the subject (hereinafter collectively referred to as “the Circulars”), have permitted the Companies to hold their Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue till 30.09.2024. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations”) and the said MCA and SEBI Circulars, the 40th AGM of the Company is being held through VC / OAVM. The special business proposed to be transacted at the ensuing AGM as set out in the Notice, has been considered as unavoidable by the Board of Directors of the Company. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 20 to 25. The deemed venue for the 40th AGM shall be the Registered Office of the Company.
- (3) Vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 and clarification vide Circular No. SEBI/HO/MIRSD/MIRSD-RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI had mandated the furnishing of PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities and prescribed certain standardized forms for submitting various service requests. The said Forms are available on the Website of the Company www.paulmerchants.net/Investors. Further, the above mentioned SEBI Circulars are also available on the website of the Company at <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/Circular-dated-November-03-2021.pdf> and <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/Clarifications-with-respect-to-Circular-dated-November-03-2021.pdf>. The Shareholders are requested to refer to the said Circulars and Formats for the relevant matters provided therein. As on the date of this Report, there is no shareholder of the Company who holds the shares in physical form.
- (4) Members holding shares in dematerialized form are requested to notify to their Depository Participant :-
 - i. their email id.
 - ii. all changes with respect to their address, email id, ECS mandate and bank details.

- (5) The shares of the Company are under compulsory Demat trading. As on the date of this Report, there is no shareholder of the Company who holds the shares in physical form.
- (6) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company from September 20, 2024 (9.00 A.M. IST) to September 22, 2024 (5.00 P.M. IST) through email to investor.redressal@paulmerchants.net. The same will be replied by the Company suitably.
- (7) In accordance with Section 20 of the Companies Act, 2013, service of documents on members by a company is allowed through electronic mode. Further in compliance with the MCA Circulars and SEBI Circular mentioned in Note no. 2, Notice of the AGM along with the Annual Report 2023-24 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 2023-24 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) i.e. www.evotingindia.com (Adobe PDF can be downloaded at <https://get.adobe.com/reader>). The copies of the Notice and Annual Report 2023-24 will also be available for inspection in electronic mode, basis the request being sent on investor.redressal@paulmerchants.net. Physical copy of full annual report shall be sent to those shareholders who request for the same and request in this regard may be submitted to investor.redressal@paulmerchants.net.
- (8) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (9) Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
- (10) Pursuant to provisions of Section 124 of the Companies Act, 2013, the amount of dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Pursuant to the circular issued by the Ministry of Corporate Affairs (MCA) with respect to IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 dated May 10, 2012, the information of unclaimed and unpaid Dividend, up to the date it remained unpaid/unclaimed was duly filed by the Company with the Ministry of Corporate Affairs (MCA). MCA had also uploaded details of the same on its website at www.iepf.gov.in. Further, the information of unclaimed and unpaid Dividend as on 31.03.2024 in respect of Interim Dividend declared and paid by the Board of Directors of the Company for the Financial Year 2019-20 and confirmed as Final Dividend by the Shareholders in their Annual General Meeting held on 29.09.2020, shall be filed by the Company with the Ministry of Corporate Affairs (MCA) in due course. As on 31-03-2024, 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 | 33 | Rs. 2218/- |

The details of the aforesaid dividend are also uploaded on the website of the Company at

<https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/06/Unpaid-Unclaimed-Dividend-31.03.2024.pdf>

- (11) In terms of Section 152 of the Companies Act, 2013, Smt. Sarita Rani Bansal (DIN 00094504, Director, retire by rotation at the ensuing AGM and being eligible, offers herself for re-appointment and the Board of Directors of the Company recommends her re-appointment. Her brief resume in accordance with Regulation 36 (3) of the Listing Regulations, 2015 and Secretarial Standards – II is annexed with the Notice of the AGM as **Annexure N-1**.
- (12) The Directors seeking reappointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Section 164(2) of the Companies Act, 2013 and other requisite declarations for their re-appointment.
- (13) All the documents referred to in the accompanying Notice and Explanatory Statement, including the copies of the resolutions passed at the meeting of the Nomination and Remuneration Committee and the Board of Directors, shall be made available for inspection of the Members through electronic mode, basis the request being sent on investor.redressal@paulmerchants.net, 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.
- (14) Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from 12-09-2024 to 18-09-2024 (both days inclusive) for the purpose of AGM. Further, the members who hold shares as on the Cut-off date i.e. Thursday, September 19, 2024 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. In order to enable the company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names, are requested to consolidate their holdings under one folio.
- (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 e-voting 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) and as such, the business of the AGM shall be transacted through such voting. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. This remote e-voting facility is available on all resolutions set forth in this Notice and as such the business of the AGM shall be transacted through such voting. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility
- (ii) The Company shall also provide facility for voting through e-voting system during the AGM and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM through evoting.
- (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 remote voting period begins on 09:00 a.m. (IST) on Monday, September 23, 2024 and ends on 05:00 p.m. (IST) on Wednesday, September 25, 2024. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 19-09-2024 may cast their vote

electronically. Remote e-voting shall not be allowed beyond the said date and time and the e-voting module shall be disabled by CDSL for voting thereafter. As on the said cut-off date, the right of voting of the Members shall be reckoned and a person who is not a Member of the Company as on the cut off date should treat this Notice for information purposes only.

- (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 e-voting at the AGM in a fair and transparent manner.
- (viii) The cut-off date for the purpose of e-voting (including remote e-voting) and for attending the AGM is after closing hours of Thursday, 19th September, 2024.
- (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 e-voting portal shall forthwith be blocked and shall not be available for remote e-voting:-

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|--|--|
| Commencement of remote e-voting | Monday, September 23, 2024 (9.00 a.m. IST) |
| End of remote e-voting | Wednesday, September 25, 2024 (5.00 p.m. IST) |
| Cut Off date | Thursday, September 19, 2024 (After the closing hours) |

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

- (i) As per SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020**, e-voting has been enabled to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (ii) In terms of the said **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by the Company, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- (iii) Pursuant to above said 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/myeasitoken/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 e-voting is in progress as per the information provided by company. On clicking the e-voting 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/myeasitoken/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The 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 e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL | <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- |

| | |
|---|--|
| | <p>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.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.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 held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | <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 Toll Free no. 1800225533. |

| | |
|---|---|
| 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 022 - 4886 7000 and 022 - 2499 7000 |
|---|---|

(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 | <ul style="list-style-type: none"> • Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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 | 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. |
| OR | |
| Date of Birth (DOB) | 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
- q. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(22) Instructions for Non – Individual Shareholders and Custodians – For Remote e-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 will be mapped automatically & can be delink in case of any wrong mapping.
- 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 at his email ID 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. Ministry of Corporate Affairs (MCA) vide its General Circular No. 09/2023 dated 25.09.2023 read over its earlier Circulars with particular reference to 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 on the subject and SEBI vide its Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07.10.2023 read over with all its earlier circulars on the subject (hereinafter collectively referred to as “the Circulars”), have permitted the Companies to hold their Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue till 30.09.2024. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations”) read with the Circulars issued by MCA and SEBI, the 40th AGM of the Company is being held through VC / OAVM.
- b. Since this AGM is being held pursuant to the above said Circulars issued by MCA and SEBI through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice. Attendance Slip and Route Map are also not annexed to this Notice for the same reason. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- c. The procedure for e-Voting on the day of the AGM is same as per the instructions mentioned above for e-voting.
- d. The link for VC/OAVM to attend AGM will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- e. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- f. Shareholders are encouraged to join the AGM through Laptops / iPads for better experience.
- g. Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- h. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss

due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- i. The Members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee of Directors, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc. may be allowed to attend the meeting without any restrictions on first come first served basis.
- j. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from their registered email address in advance from September 20, 2024 (9.00 A.M. IST) to September 22, 2024 (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 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 20, 2024 (9.00 A.M. IST) to September 22, 2024 (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.
- k. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- l. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

(24) Process for those shareholders whose email/mobile no. are not registered with the company/depositories

- i. For Physical shareholders- Please refer to the instructions given at Note no. 3.
- ii. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

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

GENERAL INSTRUCTIONS

- I. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at Toll Free no. 1800225533. Further details in this regard are given in para VIII below.
- II. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on the cut off date i.e. after closing hours of 19-09-2024.
- III. The scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than 24 Hours from conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the results of the voting forthwith. The result of the e-voting shall be declared by the Chairman of the Meeting or any other person duly authorized by him in writing on Friday, September 27, 2024 at 2.00 PM at Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022.
- IV. The manner in which members have cast their votes, that is, affirming or negating the resolution, shall remain secret and not available to the Chairman, Scrutinizer or any other person till the votes are cast in the meeting.
- V. The Scrutinizer's decision on the validity of the vote shall be final and binding.
- VI. The result declared along with the Scrutinizer's report shall be placed on the website of the Company (www.paulmerchants.net) 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.

- VII. The resolutions will be deemed to be passed on the date of AGM subject to receipt of requisite number of votes in favour of the resolutions.
- VIII. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on Toll Free no. 1800225533. 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 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. 19-09-2024 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 e-voting at the AGM is already provided in the instructions given above.

Physical Shareholders:-

Physical shareholders may obtain the login id and sequence number by sending a request to RTA of the Company M/s Alankit Assignments Ltd, Alankit House, 4E/2, Jhandewalan Extn. New Delhi- 110055 (INDIA) Ph No. : 011-42541234 / 23541234, 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 above be followed.

(26) **General:-**

In this Annual Report, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been referred to as "Listing Regulations", Companies Act, 2013 has been referred to as "Act" and Annual General Meeting has been referred to as "AGM". Further at various places in the Annual Report, the Financial Year 2023-24 has been referred to as "the year under review".

Place: Chandigarh
Date: August 13, 2024

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. 3

Pursuant to the provisions of Sections 152 and other applicable provisions of the Companies Act 2013 and the Company's Articles of Association, not less than two-thirds of total number of Directors of the Company shall be liable to retire by rotation. One third of these Directors must retire from office at each Annual General Meeting (AGM), but each retiring director is eligible for re-election at such meeting. Independent directors are not subject to retirement by rotation by virtue of provisions of Section 152 and the Managing Director of the Company is not subject to retirement by rotation by virtue of Articles of Association of the Company. Accordingly Smt. Sarita Rani Bansal is required to retire by rotation at the ensuing AGM and being eligible, has offered herself for re-appointment. Further, in terms of Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1st April 2019, no listed Company shall appoint or continue the appointment of a Non-executive director, who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment. Smt. Sarita Rani Bansal, had attained the age of about 75 years in 08.01.2023 and accordingly, the shareholders of the Company had approved the continuation of her directorship in their Annual General Meeting held on 29th September 2022.

In terms of provisions of the Companies Act, 2013, Smt. Sarita Rani Bansal is liable to retire by rotation and being eligible, offers herself for re-appointment. Despite being about 77 years of age, Smt. Sarita Rani Bansal is in good health and of sound and alert mind. The Board is confident about her being able to function and discharge her duties in an able and competent manner. Based on the recommendation of the Nomination and Remuneration Committee and taking in account Smt. Sarita Rani Bansal's seniority, expertise and vast experience, which has immensely benefited the Company, the Board of Directors considered and recommended the re-appointment of Smt. Sarita Rani Bansal as a Non-executive Director of the Company, liable to retire by rotation.

Smt. Sarita Rani Bansal has also confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circular dated June 20, 2018 issued by the BSE Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Smt. Sarita Rani Bansal, pursuant to Section 152 of the Act, has given her consent to act as Director of the Company, subject to the approval of the Members. In terms of Section 164 of the Act, she is not disqualified from being re-appointed as Director.

Therefore, the re-appointment of Smt. Sarita Rani Bansal as a Director of the Company is placed for approval of the Members of the Company at the ensuing Annual General Meeting by way of Special Resolution. Your Directors recommend the Resolution set out at Item no. 3 to be passed as Special Resolution.

The appointee Director Smt. Sarita Rani Bansal may be treated as interested in this resolution. Further, Sh. Sat Paul Bansal and Sh. Rajneesh Bansal, Directors of the Company may also be treated as interested in this resolution as immediate relatives of Smt. Sarita Rani Bansal and also as members of the same family. No other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The information as required under para 1.2.5 of Secretarial Standard -2 is given under **Annexure N-1** along with information pursuant to Regulation 36 (3) of the SEBI (LODR) Regulations, 2015, at the end of this Explanatory Statement.

ITEM NO. 4

Sh. Rajneesh Bansal (DIN 00077230) is currently the Managing Director of the Company and is also a Member of the CSR Committee, Stakeholders Relationship Committee and Executive Committee of the Board of Directors of the Company.

The present term of Sh. Rajneesh Bansal (DIN 00077230), Managing Director of the Company is valid up to 31.03.2025. As per proviso to Section 196(2) of the Act, no re-appointment of the managing director can be made earlier than one year before the expiry of his term. In compliance with this provision, the Board of Directors of the Company in their meeting held on 13-08-2024, on the recommendation of the Nomination and Remuneration Committee had, subject to the Provisions of Sections 196, 197, 198, 203 and all other applicable Provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V of the said Act, re-appointed Mr. Rajneesh Bansal (DIN 00077230) as the Managing Director and whole time Key Managerial Personnel of the Company for a period of 5 years w.e.f. 01-04-2025, subject to approval of the shareholders of the Company. Mr. Rajneesh Bansal shall be a Whole Time Key Managerial Personnel of the Company within the meaning of Section 203 of the Companies Act, 2013. The Board had fixed the remuneration of Sh. Rajneesh Bansal as set out in the Resolution at item no. 4 of the Notice w.e.f. 01-04-2025. The said remuneration and other terms and conditions as set out in the said Resolution may be treated as a written memorandum setting out the terms of re-appointment of Sh. Rajneesh Bansal under Section 190 of the Act. The Statutory Auditors of the Company have issued their certificate that the proposed transaction shall be at Arm's Length. The said Certificate has been appended at the end of the Explanatory Statement to this Notice as **Annexure N-4**. The detailed conditions have been provided in the Resolution itself.

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

It is further provided in Schedule V to the Act that the Special Resolution passed for payment of remuneration to a managerial person at the general meeting of the company, should be for a period not exceeding three years. As such, while the re-appointment of Mr. Rajneesh Bansal to the post of Managing Director of the Company is proposed to be approved for a term of 5 years, his remuneration shall be valid for 3 years, as spelt out in the Resolution set out at item no. 4 of the Notice.

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

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

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

As the proposed remuneration of Mr. Rajneesh Bansal as Managing Director of the Company is likely to exceed the above thresholds, the matter requires approval of the Shareholders of the Company by way of Special Resolution.

Further, as per the provisions of Section 197 of the Companies Act, 2013 read with Section II of Part II of Schedule V, in case of absence or inadequacy of profits, the remuneration to be paid in excess of the limits specified in Section II of Part II of Schedule V has to be approved by the Members by way of a Special Resolution. Though, the Company has been a consistent performer for the last almost two decades, however, the profit margins may remain inadequate particularly for the purpose of paying Managerial Remuneration due to the fact that the revenues may be under some pressure due to some Global economic factors, which is a crucial requirement for Forex and Travel Verticals of the Company. Accordingly, if the Company's profits are inadequate due to the aforesaid tough external environment, the approval of the Members by way of a Special Resolution will be required for payment of an overall remuneration exceeding the limits specified in Section 197 and Schedule V of Companies Act, 2013. Therefore, in order to suitably remunerate Mr.

Rajneesh Bansal, Managing Director, keeping in view his entitlement and existing remuneration, as also the competitive market practices, if the Company's profits become inadequate, the approval of the Members is sought for payment of a remuneration as set out in the Resolution at item no. 4 of the Notice.

The principal terms and conditions of Sh. Rajneesh Bansal's re-appointment as the Managing Director are as follows:-

- Period of Re-appointment: From April 1, 2025 up to March 31, 2030 (both days inclusive).
- Duties: He shall be vested with substantial powers of management of the affairs of the Company. He shall devote his whole time and attention to the business of the Company and shall carry out his duties as may be entrusted to him by the Board of Directors of the Company from time to time subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or joint ventures and/or subsidiaries.
- Remuneration:- As stated in the Resolution set out at item no. 4 of the Notice of this Annual General Meeting
- Minimum Remuneration: : Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director remuneration by way of Salary, Benefits, Perquisites and Allowances, and Incentive as specified in the Resolution set out at item no. 4 of the Notice of this Annual General Meeting
- Other Terms of Re-appointment: The terms and conditions of the said re-appointment may be altered and varied from time to time by the Board or its Committee.
- The terms and conditions of re-appointment of the Managing Director also includes adherence with the PML Code of Conduct for Directors & Senior Management
- Provisions of Companies Act 2013 and Listing Regulations (as amended from time to time) shall be applicable with respect to the relationship between the Company and Sh. Rajneesh Bansal as Managing Director.

Sh. Rajneesh Bansal has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circular dated June 20, 2018 issued by the BSE Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Sh. Rajneesh Bansal, pursuant to Section 152 of the Act, has given his consent to act as Managing Director of the Company, subject to the approval of the Members. Sh. Rajneesh Bansal satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment. In terms of Section 164 of the Act, he is not disqualified from being re-appointed as Director.

Therefore, the re-appointment of Mr. Rajneesh Bansal as Managing Director of the Company and fixation of his salary is placed for approval of the Members of the Company at the ensuing Annual General Meeting by way of Special Resolution and therefore your Directors recommend the Resolution set out at Item no. 4 to be passed as Special Resolution.

It is hereby confirmed that the company has not committed any default in payment of dues to any bank or public financial institution or any other secured creditor. Further, the Company has never issued any non-convertible debentures.

Mr. Rajneesh Bansal is 50 years of age and is MBA from Victoria University of Technology, Melbourne, Australia. He has over 25 years of diverse experience and has demonstrated his leadership skills, tact and initiative in conjunction with the company's goals & objectives. He possesses requisite personal competencies as per the Chart of skills/expertise/competence of the board of directors adopted by the Company in the Nomination and Remuneration Policy. Having regard to the qualifications, skill, background, experience and knowledge, the Board is of the view that the re-appointment of Sh. Rajneesh Bansal as Managing Director will be beneficial to the functioning and growth of the Company and the remuneration payable to him is commensurate with his abilities and experience.

The appointee Director Mr. Rajneesh Bansal may be treated as interested in this resolution, to the extent of his remuneration and other benefits arising out of this resolution. Further, Mr. Sat Paul Bansal and Mrs. Sarita Rani Bansal, Directors of the Company may also be treated as interested in this resolution as immediate relatives of Mr. Rajneesh Bansal and also as members of the same family. No other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

As on the date of this report, Sh. Rajneesh Bansal holds 882759 (28.62%) Equity Shares in the Company and does not hold any Stock Options.

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

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

As such your Directors have considered the above parameters in relation to re-appointment and fixation of remuneration of Mr. Rajneesh Bansal as Managing Director. The said proposal has also been approved by the Nomination and Remuneration Committee of the Board and by Audit Committee of the Board. The required information as per the above said parameters is given below:-

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

On Standalone basis:-

| PARTICULARS | FY 2021-22 | FY 2022-23 | FY 2023-24 |
|---|-------------------|-------------------|-------------------|
| Total Income | 53,00,23,66,294 | 69,21,69,30,795 | 65,30,04,13,372 |
| Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation) | 30,01,93,629 | 37,33,07,443 | 39,17,81,563 |
| Profit from Continued Operations before Tax and exceptional items | 28,02,06,718 | 34,95,88,362 | 35,13,77,157 |
| Total Profit before Tax after exceptional items | 27,37,83,774 | 34,95,88,362 | 35,13,77,157 |
| Total Profit after Tax | 20,39,02,032 | 25,98,40,452 | 26,12,47,765 |
| Total Comprehensive Income | 20,35,47,842 | 25,80,64,403 | 25,91,62,029 |

On Consolidated basis:-

| PARTICULARS | FY 2021-22 | FY 2022-23 | FY 2023-24 |
|--|-------------------|-------------------|-------------------|
| Total Income | 53,68,74,09,928 | 70,12,80,54,361 | 66,72,61,34,168 |
| Earnings before Interest, Depreciation and Tax and exceptional items (from continued Operations)) | 66,04,61,760 | 80,82,82,662 | 119,90,38,880 |
| Profit from Continued Operations before Tax and exceptional items | 54,57,90,790 | 59,70,74,758 | 73,10,67,364 |
| Total Profit before Tax after exceptional items | 53,93,67,846 | 59,62,20,546 | 72,80,17,364 |
| Total Profit after Tax | 40,18,08,105 | 43,99,72,681 | 54,62,56,380 |
| Share of Profit (Loss) of associates and joint ventures | -95,393 | 144,014 | 0 |
| Total Comprehensive Income | 40,12,46,294 | 43,87,44,267 | 54,43,56,860 |

(2) The relationship between remuneration and performance:-

The proposed remuneration as set out in the Resolution at item no. 4 of the Notice, is fully justified by the performance of Mr. Rajneesh Bansal as he has demonstrated Leadership skill, tact and initiative in every department of the Company especially Finance, New product lines, IT integration of business

model and infra structure development. He has displayed exceptional financial prowess in developing the Forex and Travel verticals of the Company in conjunction with the company's goal & objectives. Further, the performance evaluation of Mr. Rajneesh Bansal has been carried by Nomination and Remuneration Committee of the Board on 24-04-2024 and also by the Board of Directors on 16-05-2024. As such, the proposed remuneration to be paid to Mr. Rajneesh Bansal is fully justified by his performance. The payment of proposed Remuneration to him has been approved by the Board, Nomination and Remuneration Committee of the Board and also by Audit Committee of the Board.

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

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

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

As per the Nomination and Remuneration Policy of the Company, remuneration payable to the Whole Time Directors is based upon

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

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

As on 31-03-2024, Mr. Rajneesh Bansal held 882759 (28.62%) Equity Shares in the Company. Further he does not hold any Stock Options. Further, he has not pledged any shares as at the end of the preceding financial year i.e. 2023-24.

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

Item No. 5

Sh. Ritesh Vaid (DIN 09433856) is currently the Whole Time Designated Director of the Company and is also a Member of the Executive Committee of the Board of Directors of the Company.

The Shareholders of the Company had approved the appointment of Sh. Ritesh Vaid as Designated Whole Time Director of the Company by way of passing a special resolution through postal ballot by voting through electronic means which concluded on March 29, 2022. He is a Designated Director in terms of Rule 2(1) (ba) read with Rule 7 of the 'The Prevention of Money-Laundering (Maintenance of Records Rules), 2005' for ensuring overall compliance with the obligations imposed on the Company under chapter IV of the Prevention of Money-Laundering Act, 2002 and the Rules framed thereunder. The appointment term of Sh. Ritesh Vaid is valid till 30.09.2026 and his remuneration term is till 31.01.2025. The Board of Directors of the Company in their meeting held on 13th August, 2024 have approved extending his remuneration term till 30.09.2026 and also approved his revised remuneration range on the recommendation of the Nomination and Remuneration Committee, subject to the approval of the Shareholders of the Company in their ensuing Annual General Meeting by way of a Special Resolution. The said remuneration of Sh. Ritesh Vaid is set out in the Resolution at item no. 5 of the Notice. The said remuneration and other terms and

conditions as set out in the said Resolution may be treated as a written memorandum setting out the terms of revised remuneration of Sh. Ritesh Vaid under Section 190 of the Act. The Statutory Auditors of the Company have issued their certificate that the proposed transaction shall be at Arm's Length. The said Certificate has been appended at the end of the Explanatory Statement to this Notice as **Annexure N-7**. The detailed conditions have been provided in the Resolution itself.

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

Further, as per the provisions of Section 197 of the Companies Act, 2013 read with Section II of Part II of Schedule V, in case of absence or inadequacy of profits, the remuneration to be paid in excess of the limits specified in Section II of Part II of Schedule V has to be approved by the Members by way of a Special Resolution. Though, the Company has been a consistent performer for the last almost two decades, however, the profit margins may remain inadequate particularly for the purpose of paying Managerial Remuneration due to some global economical factors, which is a crucial requirement for Forex and Travel Verticals of the Company. Accordingly, if the Company's profits are inadequate due to the aforesaid tough external environment, the approval of the Members by way of a Special Resolution is required for payment of an overall remuneration exceeding the limits specified in Section 197 and Schedule V of Companies Act, 2013. Therefore, in order to suitably remunerate Sh. Ritesh Vaid, Whole time Designated Director, keeping in view his entitlement and existing remuneration, as also the competitive market practices, if the Company's profits become inadequate, the approval of the Members is sought for payment of remuneration to him as set out in the Resolution at item no. 5 of the Notice.

The principal terms and conditions relating to the remuneration of Sh. Ritesh Vaid are set out in the resolution itself. Sh. Ritesh Vaid shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/or the Board of Directors of the Company from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or joint ventures and/or subsidiaries.

Provisions of Companies Act 2013 and Listing Regulations (as amended from time to time) shall be applicable with respect to the relationship between the Company and Sh. Sh. Ritesh Vaid, Whole time Designated Director.

Sh. Ritesh Vaid has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circular dated June 20, 2018 issued by the BSE Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Sh. Ritesh Vaid satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible to continue in his role.

The Company has received from Sh. Ritesh Vaid, a declaration to the effect that he is not disqualified from acting as a Director in terms of Section 164(2) of the Act. The Nomination and Remuneration Committee of the Board had also undertaken the process of due diligence to determine the suitability of Mr. Ritesh Vaid for continuing as a director on the Board based upon the criteria as laid down in the Master Direction on the Money Changing Activities issued by Reserve Bank of India (RBI) and had found that Mr. Ritesh Vaid duly conforms to the Fit and Proper criteria laid down by RBI, based upon various parameters.

It is hereby confirmed that the company has not committed any default in payment of dues to any bank or public financial institution or any other secured creditor. Further, the Company has never issued any non-convertible debentures.

Mr. Ritesh Vaid is about 48 years of age and has been associated with the Company since the year 2008 in various capacities and is currently serving as Whole Time Designated Director. He has good leadership skills, tact and has helped in the development of dealer network, branch network, infrastructure and channel management for promoting the business of the Company, during his tenure with the Company. He possesses requisite personal competencies as per the Chart of skills/expertise/competence of the board of directors adopted by the Company in the Nomination and Remuneration Policy. Having regard to the qualifications, skill, background, experience and knowledge, the Board is of the view that extending the term of remuneration and the revision in remuneration of Sh. Ritesh Vaid as Whole Time Designated Director will be beneficial to the functioning and growth of the Company and the remuneration payable to him is commensurate with his abilities and experience.

The appointee Director Mr. Ritesh Vaid may be treated as interested in this resolution, to the extent of his remuneration and other benefits arising 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.

As on the date of this report, Sh. Ritesh Vaid holds Nil Equity Shares in the Company and does not hold any Stock Options.

Further, as per Section 197 of the Act read over with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, some

Parameters have been specified which are to be taken into account by the Shareholders while according their approval as given below:-

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

As such your Directors have considered the above parameters in relation to extending the term and revision of remuneration of Mr. Ritesh Vaid as Whole Time Designated Director. The said proposal has also been approved by the Nomination and Remuneration Committee of the Board and by Audit Committee of the Board. The required information as per the above said parameters is given below:-

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

On Standalone basis:-

| PARTICULARS | FY 2021-22 | FY 2022-23 | FY 2023-24 |
|---|-------------------|-------------------|-------------------|
| Total Income | 53,00,23,66,294 | 69,21,69,30,795 | 65,30,04,13,372 |
| Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation) | 30,01,93,629 | 37,33,07,443 | 39,17,81,563 |
| Profit from Continued Operations before Tax and exceptional items | 28,02,06,718 | 34,95,88,362 | 35,13,77,157 |
| Total Profit before Tax after exceptional items | 27,37,83,774 | 34,95,88,362 | 35,13,77,157 |
| Total Profit after Tax | 20,39,02,032 | 25,98,40,452 | 26,12,47,765 |
| Total Comprehensive Income | 20,35,47,842 | 25,80,64,403 | 25,91,62,029 |

On Consolidated basis:-

| PARTICULARS | FY 2021-22 | FY 2022-23 | FY 2023-24 |
|---|-------------------|-------------------|-------------------|
| Total Income | 53,68,74,09,928 | 70,12,80,54,361 | 66,72,61,34,168 |
| Earnings before Interest, Depreciation and Tax and exceptional items (from continued Operations) | 66,04,61,760 | 80,82,82,662 | 119,90,38,880 |
| Profit from Continued Operations before Tax and exceptional items | 54,57,90,790 | 59,70,74,758 | 73,10,67,364 |

| | | | |
|---|--------------|--------------|--------------|
| Total Profit before Tax after exceptional items | 53,93,67,846 | 59,62,20,546 | 72,80,17,364 |
| Total Profit after Tax | 40,18,08,105 | 43,99,72,681 | 54,62,56,380 |
| Share of Profit (Loss) of associates and joint ventures | -95,393 | 144,014 | 0 |
| Total Comprehensive Income | 40,12,46,294 | 43,87,44,267 | 54,43,56,860 |

(2) The relationship between remuneration and performance:-

The proposed remuneration as set out in item no. 5 of the Notice is fully justified. Mr. Ritesh Vaid has been associated with the Company since the year 2008 in various capacities in the senior management of the Company and is currently serving as Whole Time Designated Director of the Company. He has good leadership skills, tact and has helped in the development of dealer network, branch network, infrastructure and channel management for promoting the business of the Company during his tenure with the Company. Further, the proposed remuneration has been evaluated by the Board, Nomination and Remuneration Committee of the Board and Audit Committee of the Board.

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

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

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

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

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

As on 31-03-2024, Mr. Ritesh Vaid does not hold any Equity Shares in the Company. Further he does not hold any Stock Options. Further, he has not pledged any shares as at the end of the preceding financial year i.e. 2023-24.

The information as required under para 1.2.5 of Secretarial Standard -2 is given under **Annexure N-5** along with information pursuant to Regulation 36 (3) of the SEBI (LODR) Regulations, 2015, at the end of this Explanatory Statement. Information required under Part II of Schedule V to the Companies Act, 2013 is given as **Annexure N-6**

Place: Chandigarh
Date: August 13, 2024

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 N-1

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

| | |
|--|---|
| Name of Director | Smt. Sarita Rani Bansal (DIN: 00094504) |
| Date of First (Original) Appointment on the Board: | 31.01.2012 |
| Date of Birth, Age | 08.01.1948, About 77 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 reappointed 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 77 years of age and has been associated with the Company for over 28 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 decision making process of the Board. | |
| 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 and her office is liable to retirement by rotation. |
| Remuneration last drawn, if applicable | NIL |
| Details of Remuneration sought to be paid | NIL |
| Qualification | Graduate in Arts |
| List of Other Directorships | 1. Paul Merchants Finance Private Limited 2. Infotechure Solutions Private Limited 3. PML Holidays Private Limited 4. Paul Excursions Private Limited 5. Paul Overseas Private Limited |
| Names of Listed Entities in which the person also holds the directorship | No Company other than Paul Merchants Limited |
| Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd | NIL |
| Chairmanship/Membership of the Committees of the Board of Directors of other Companies | NIL |
| 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 | 33.62% |
| 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:- | |
| Smt. Sarita Rani Bansal is wife of Sh. Sat Paul Bansal, a Non-Executive Non Independent Director and Chairman of the Company. She is mother of Sh. Rajneesh Bansal, Managing Director. She is not related to any other Director, Manager or other Key Managerial Personnel of the Company | |
| No. of Meetings of Board attended during the FY 2023-24 | 6 |

Annexure N-2

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

| | |
|--|--|
| Name of Director | Mr. Rajneesh Bansal (DIN: 00077230) |
| Date of First (Original) Appointment on the Board: | 27-02-1999 |
| Date of Birth, Age | 27-07-1974, 50 Years |
| Designation | Managing Director |
| It is proposed to approve the re-appointment of Sh. Rajneesh Bansal as Managing Director of the Company not liable to retire by rotation, w.e.f. 01-04-2025, for a term of 5 (Five) years ending on 31-03-2030 on Annual Remuneration within the range from Rs. 400,00,000/- (Rupees Four Crores Only) per annum to Rs. 8,00,00,000/- (Rupees Eight Crores Only) to be paid for the first three years commencing from 01-04-2025 till 31-03-2028 and as other terms, as set out in the Special Resolution at Item no. 4 of the Notice and as explained in the Explanatory Statement to the said item | |
| Nature of Expertise in Specific Functional Area and experience:- | |
| Leadership skill, tact and initiative in every department of the Company especially Finance, New product lines, IT integration of business model and infra structure development. Displayed exceptional financial prowess in developing the Forex and Travel verticals of the Company in conjunction with the Company's goals & objectives. | |
| Terms and Conditions of Appointment or Re-appointment and Remuneration, if any: | |
| Term | Proposed to be re-appointed for the following term:- a. Service Contract period:- 5 years i.e. from 01-04-2025 till 31-03-2030 b. Remuneration period :- 3 years i.e. from 01-04-2025 till 31-03-2028 |
| Remuneration last drawn, if applicable | His last drawn remuneration for the FY 2023-24 is as given as below:- <ul style="list-style-type: none">• Rs. 20,00,000/- (Rupees Twenty Lakhs Only) per month during the FY 2023-24, Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) per month w.e.f. 01-04-2024 and Rs. 28,00,000/- (Rupees Twenty Eight Lakhs Only) per month w.e.f. 01-05-2024.• Rent Free Accommodation (RFA) valued at Rs. 39,29,777/- for FY 2023-24 including water and electricity charges on actual use basis. The RFA discontinued w.e.f. 01.05.2024. Commission: - Up to 3% of the Net Profits of the Company computed under Section 198 of Companies Act, 2013, earned during any |

| | |
|--|---|
| | <p>financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board. Accordingly, a sum of Rs.1,10,00,000/- has been paid to him on this account as decided by the Nomination & Remuneration Committee for the FY 2023-24.</p> <p>Annual Remuneration paid to him during the FY 2023-24 is Rs. 3,89,29,777/-</p> |
| Details of Remuneration sought to be paid | <p>Salary within the range from Rs. 400,00,000/- (Rupees Four Crores Only) per annum to Rs. 8,00,00,000/- (Rupees Eight Crores Only) to be paid for the first three years commencing from 01-04-2025 till 31-03-2028. In addition, Commission up to 3% of the Net Profits of the Company computed under Section 198 of Companies Act, 2013, shall be paid to him as decided by the Nomination and Remuneration Committee of the Board.</p> <p>For more details, please refer the resolution at item no. 4 of the Notice convening this Meeting read with explanatory statement thereto.</p> |
| Qualification | MBA from Victoria University of Technology, Melbourne, Australia. |
| List of Other Directorships | <ol style="list-style-type: none"> 1. Paul Infotech Private Limited 2. Paul Fincare Private Limited 3. PML Realtors Private Limited 4. PML Holidays Private Limited 5. Paul Merchants Finance Private Limited 6. Paul Excursions Private Limited 7. All India Association of Authorised Money Changers and Money Transfer Agents 8. Paul Overseas 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 | <ol style="list-style-type: none"> 1. Member in Stakeholder Relationship Committee 2. Member in CSR Committee 3. Member in Executive Committee |
| Chairmanship/Membership of the Committees of the Board of Directors of other Companies | <ol style="list-style-type: none"> 1. Member in Audit Committee of Paul Merchants Finance Private Limited 2. Member in Nomination & Remuneration Committee of Paul Merchants Finance Private Limited 3. Member in Executive Committee of Paul Merchants Finance Private Limited 4. Chairman in CSR Committee of Paul Merchants Finance Private Limited 5. Member in Audit Committee of PML Realtors Private Limited 6. Member in Nomination & Remuneration Committee of PML Realtors Private Limited. |

| | |
|---|---------------------------------|
| 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 (As on 31.03.2024) | 8,82,759 Equity Shares (28.62%) |
| Shareholding in the Company as a Beneficial Owner (As on 31.03.2024) | NIL |
| Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:- | |
| Mr. Rajneesh Bansal is son of Mr. Sat Paul Bansal and Mrs. Sarita Rani Bansal, Directors of the Company. He is not related to any other Director, Manager or other Key Managerial Personnel of the Company. | |
| No. of Meetings of Board attended during the FY 2023-24 | 6 |

Annexure N-3

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

| I. General information: | | | | | |
|---|---|--|-------------------|-------------------|--|
| (1) Nature of industry | The Company operates principally in three business verticals Foreign Exchange, Tours & Travels and International Money Transfer. | | | | |
| (2) Date or expected date of commencement of commercial production | The Company is already in existence, doing commercial operations since the year 1984. The Company had been granted Certificate of Commencement on 23rd July, 1984 | | | | |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable as the Company is already in existence and operating since the year 1984. | | | | |
| 4) Financial performance based on given indicators | STANDALONE BASIS:- | | | | |
| | PARTICULARS | FY 2021-22 | FY 2022-23 | FY 2023-24 | |
| | Total Income | 53,00,23,66,294 | 69,21,69,30,795 | 65,30,04,13,372 | |
| | Earnings before Interest, Depreciation and Tax and exceptional items | 30,01,93,629 | 37,33,07,443 | 39,17,81,563 | |
| | Profit before Tax and exceptional items | 28,02,06,718 | 34,95,88,362 | 35,13,77,157 | |
| | Total Profit before Tax after exceptional items | 27,37,83,774 | 34,95,88,362 | 35,13,77,157 | |
| | Total Profit after Tax | 20,39,02,032 | 25,98,40,452 | 26,12,47,765 | |
| | Total Comprehensive Income | 20,35,47,842 | 25,80,64,403 | 25,91,62,029 | |
| | CONSOLIDATED BASIS | | | | |
| | PARTICULARS | FY 2021-22 | FY 2022-23 | FY 2023-24 | |
| | Total Income | 53,68,74,09,928 | 70,12,80,54,361 | 66,72,61,34,168 | |
| | Earnings before Interest, Depreciation and Tax and exceptional items | 66,04,61,760 | 80,82,82,662 | 119,90,38,880 | |
| | Profit before Tax and exceptional items | 54,57,90,790 | 59,70,74,758 | 73,10,67,364 | |
| | Total Profit before Tax after exceptional items | 53,93,67,846 | 59,62,20,546 | 72,80,17,364 | |
| | Total Profit after Tax | 40,18,08,105 | 43,99,72,681 | 54,62,56,380 | |
| | Share of Profit (Loss) of associates and joint ventures | -95,393 | 144,014 | 0 | |
| | Total Comprehensive Income | 40,12,46,294 | 43,87,44,267 | 54,43,56,860 | |
| | (5) Foreign investments or collaborations, if any. | The share capital of the Company has a fractional shareholding (0.28%) by NRI shareholders as on 31.03.2024. | | | |

| II. Information about the appointee: | |
|---|--|
| (1) Background details | <p>Mr. Rajneesh Bansal is 50 years of age and he is MBA from Victoria University of Technology, Melbourne, Australia. He has over 25 years of diverse experience and has demonstrated his leadership skills, tact and initiative in conjunction with the company's goals & objectives. As a Managing Director, he leads all the departments and activities of the Company. As such, Board is of the opinion that he will provide useful value addition to the decision making process of the Board and under his leadership, Direction and guidance the Company will reach new heights of success</p> |
| (2) Past remuneration | <p>His remuneration during FY 2023-24 is as follows:</p> <p>a. Rs. 20,00,000/- (Rupees Twenty Lakhs Only) per month and a Rent Free Accommodation valued at Rs. 39,29,777/- which includes water and electricity charges on actual use basis.</p> <p>b. Commission @ 3% of the Net Profits computed under Section 198 of Companies Act, 2013, is payable at the end of the Financial Year as decided by the Nomination & Remuneration Committee. Accordingly, a sum of Rs. 1,10,00,000/- has been paid to him on this account as decided by the Nomination & Remuneration Committee for the FY 2023-24.</p> <p>Total Annual Remuneration paid to him for the FY 2023-24 is Rs. 3,89,29,777/-.</p> <p>The Board of Directors increased his monthly salary to Rs. 25,00,000/- per month w.e.f. 01.04.2024. Later, Rent Free Accommodation provided to him was discontinued and his monthly salary was increased to Rs. 28,00,000/- per month w.e.f. 01.05.2024, which is within the overall limits approved earlier by the Shareholders.</p> |
| (3) Recognition or awards | Nil |
| (4) Job profile and his suitability | <p>Mr. Rajneesh Bansal is associated with the Company since 1999. He leads all the departments and activities of the Company as Managing Director of the Company.</p> <p>Mr. Rajneesh Bansal has over 25 years of diverse experience in the Company and has demonstrated his leadership skills, tact and initiative in conjunction with the company's goals & objectives. Keeping in view his excellent performance, the Board considers him as best suitable candidate for the position of Managing Director. Keeping in view his excellent performance and contribution towards every sphere of the business of the Company and his valuable experience and on the recommendation of Nomination and Remuneration Committee and on the recommendation of Audit Committee, the Board of Directors of the Company in its meeting held on 13-08-2024 had approved his re-appointment as Managing Director of the Company w.e.f. 01-04-2025 for a term till 31-03-2030 on the remuneration as specified in Special Resolution set out at item No. 4 of the Notice of the AGM.</p> <p>The Board of Directors are of unanimous view that under his leadership, direction and guidance, the Company will reach new heights of success.</p> |

| | |
|---|--|
| (5) Remuneration proposed | The Remuneration proposed to be paid to Mr. Rajneesh Bansal is as per the details set out in the Special Resolution at Item No. 4 of the Notice. |
| (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | <p>There are no set standards for remuneration in the industry. The executive remuneration in the industry has been increasing significantly in last few years. Keeping in view the type /trends in the industry, size of the Company, the profile and responsibilities shouldered by Mr. Rajneesh Bansal, the Board believes that the remuneration proposed to be paid to him as Managing Director is appropriate and commensurate with his profile and is comparable with the industry standards.</p> <p>Further the remuneration proposed to be paid to him is in accordance with the Nomination and Remuneration Policy of the Company and as per the approval and recommendation of Nomination and Remuneration Committee of the Board.</p> |
| (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other Director, if any. | <p>Mr. Rajneesh Bansal's pecuniary relationship with the Company during the FY 2023-24 is detailed in Annexure N-3 (a) to this report. He holds 882759 (28.62%) Equity shares in his name in the Share Capital of the Company as on 31.03.2024.</p> <p>Mr. Rajneesh Bansal is son of Mr. Sat Paul Bansal and Mrs. Sarita Rani Bansal, Directors of the Company. He is not related to any other Director, Manager or other Key Managerial Personnel of the Company.</p> |
| III. Other information: | |
| (1) Reasons of loss or inadequate profits | The Company has been a consistent performer for the last almost two decades. However, the profit margins may remain inadequate particularly for the purpose of paying Managerial Remuneration due to some global economical factors, which are critical for Forex and Travel Verticals of the Company. |
| (2) Steps taken or proposed to be taken for improvement | The Company is fully geared to increase its revenues and to decrease its costs, thereby leading to improved performance in terms of profitability. Further, the social and political conditions in some countries to which a bulk of student overseas remittances are sent from India, may improve in the times to come or new corridors will come up, which will boost the revenues of the Company. |
| (3) Expected increase in productivity and profits in measurable terms | The objective and focus of the Board of Directors is to take the Company to further heights in Forex and Travel Division. Towards this end, the company has already put in place the required roadmap and in the backdrop of the re-engineered business model, rationalization of the work force and adjustment in the branch network, it is hoped to increase the productivity and hence to increase the profitability in the FY 2024-25 in the vicinity of 10-15%. |

Annexure – N-3 (a)

| | | |
|--|--|--|
| 1. Nature of contracts/arrangements/ transactions | Rent Agreement in respect of Shop No. 3, 4A, 4B & 4C, Lower Ground Floor, Alfa Estate Building, G.T. Road, Jalandhar owned by him. | |
| Duration of the contracts/ arrangements/ transactions | The arrangement is running since 01-04-2008 and the Current term is from 01/04/2022 to 31/03/2025 | |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rate of Rent | Rs. 53,974/- per month from 01.04.2023 till 31.03.2024 |
| | Annual Increase | 8% |
| | Local Levies | Payable by the Lessee. |
| Amount paid as advances, if any: | Rent is paid in advance on monthly basis. | |
| 2. Nature of contracts/ arrangements/ transactions | Rent Agreement in respect of Shop No. 1A, Ground Floor, Mcleodganj, Dharamshala, owned by him. | |
| Duration of the contracts/arrangements/transactions | The arrangement is running since 01-04-2008 and the Current term is from 01/04/2023 to 31/03/2026 | |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rate of Rent | Rs. 99,951/- per month from 01.04.2023 to 31.03.2024 |
| | Annual Increase | 8% |
| | Local Levies | Payable by the Lessee. |
| Amount paid as advances, if any: | Rent is paid in advance on monthly basis. | |
| 3. Nature of contracts/arrangements/ transactions | Salary & Commission | |
| Duration of the contracts/arrangements/ transactions | 01.04.2020 to 31.03.2025 | |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | <p>i. Salary is payable per month</p> <p>ii. Rent Free accommodation has been provided to him valuing Rs. 39,29,777/- in the FY 2023-24, which includes Water and Electricity charges on actual use basis</p> <p>iii. Commission @ 3% of the Net Profits computed under Section 198 of Companies Act, 2013 is payable at the end of the FY on recommendation of the Nomination & Remuneration Committee</p> <p>Total Annual Remuneration paid during the FY 2023-24 is Rs. 3,89,29,777/- including Commission.</p> | |

Annexure N-4

**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**

TO WHOM SO EVER THIS MAY CONCERN

As per information, explanations and confirmations provided to us, we are of the opinion that the following Remuneration proposed to be paid to Mr. Rajneesh Bansal (DIN 00077230), as Managing Director of the Company Paul Merchants Limited w.e.f. 01-04-2025 subject to the approval of Shareholders, on the Terms and Conditions as described below, is fair and at Arm's Length:-

REMUNERATION:

- a. Salary and other benefits like Life Insurance, Personal Accident Insurance, Key Man Insurance, Bonus, Allowances:- Within the range of Rs. 400,00,000/- (Rupees Four Crores Only) per annum to Rs. 8,00,00,000/- (Rupees Eight Crores Only) per annum w.e.f. 01.04.2025.
- b. Commission:- Up to 3% of the Net Profits of the Company computed under Section 198 of the Companies Act, 2013, earned during any financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board
- c. Benefits:- No other benefits, stock options, pension, emoluments, etc.
- d. Service Contract period:- 5 years i.e. from 01-04-2025 till 31-03-2030
- e. Remuneration period :- 3 years i.e. from 01-04-2025 till 31-03-2028
- f. Notice Period:- Three months.
- g. Severance Fees:- No severance fees is payable to him.
- h. Reimbursement of expenses as per Company's policy.

ADDITIONAL TERMS AND CONDITIONS:

- a. In the event of absence or inadequacy of profits in any financial year, Mr. Rajneesh Bansal (DIN 00077230) will be paid the Remuneration as specified above subject to the provisions of Schedule V of the Companies Act, 2013.
- b. With the payment of Remuneration as above to Mr. Rajneesh Bansal (DIN 00077230), Managing Director, the remuneration of other Whole Time Directors and Executive Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year.
- c. The Board may allow advance against salary to him up to an amount equal to Six Month's salary as per Company's Policy, as amended from time to time

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

**Sd/-
(DHRUV GOEL)
PARTNER
M. No. 549569
UDIN: 2454956BKACPA4169**

**Date: 10/08/2024
Place: Chandigarh**

Annexure N-5

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

| | |
|--|---|
| Name of Director | Mr. Ritesh Vaid (Din 09433856) |
| Date of First (Original) Appointment on the Board: | 10-02-2022 |
| Date of Birth, Age | 15-11-1976, About 48 Years |
| Designation | Whole Time Director and Designated Director |
| <p>It is proposed to approve revision in the remuneration term and revision in the remuneration of Mr. Ritesh Vaid, Whole Time Designated Director within the range from Rs. 30,00,000/- (Rupees Thirty Lakhs Only) per annum to Rs. 50,00,000/- (Rupees Fifty Lakhs Only) per annum to be paid for the term commencing from 01.10.2024 till 30.09.2026, as set out in the Special Resolution at Item no. 5 of the Notice and as explained in the Explanatory Statement to the said item.</p> | |
| Nature of Expertise in Specific Functional Area and experience:- | |
| <p>Mr. Ritesh Vaid is about 48 years of age and has been associated with the Company Paul Merchants Limited since the year 2008 in various capacities and is currently serving as Whole Time Designated Director. He has good leadership skills, tact and has helped in the development of dealer network, branch network, infrastructure and channel management for promoting the business of the Company during his tenure with the Company. He is instrumental in setting up of compliance management system and compliance with all RBI, Anti Money Laundering and KYC Regulations in the Company as Whole Time Designated Director.</p> | |
| Terms and Conditions of Appointment or Re-appointment and Remuneration, if any: | |
| Term | <p>His present term as Whole Time Designated Director of the Company is from 10.02.2022 till 30.09.2026 as approved by the Shareholders of the Company through postal ballot process concluded on 29.03.2022.</p> <p>His revised remuneration is proposed to be approved from 01.10.2024 till 30.09.2026. His office is liable to retirement by rotation.</p> |
| Remuneration last drawn, if applicable | <p>His last drawn remuneration for the FY 2023-24 is as given as below:- Annual Remuneration Rs. 23,59,800/- Annual Bonus Rs. 99,960/- Leave Encashment Rs. 72,000/- Annual Incentive Rs. 95,004/-</p> <p>His remuneration w.e.f. 01.04.2024 is as given as below:- Annual Remuneration Rs. 27,16,116/- Annual Bonus Rs. 1,35,000/- Leave Encashment Rs. 81,000/-</p> |

| | |
|--|---|
| | Annual Incentive Rs. 95,000/- |
| Details of Remuneration sought to be paid | <p>He shall be paid remuneration on the following terms:-</p> <ol style="list-style-type: none"> a. Annual Remuneration within the range of Rs. 30 Lakhs to Rs. 50 Lakhs b. Benefits:- Performance Bonus within the above range, as decided by Nomination and Remuneration Committee of the Board. c. No other benefits, bonuses, stock options, pension etc. will be payable to him during his term. d. Other Benefits:- Leave Encashment within the above range as per the Company's Policy and Gratuity as per Payment of Gratuity Act; e. Service Contract period:- From 10.02.2022 till 30.09.2026; f. Remuneration period :- From 01.10.2024 till 30.09.2026; g. Notice Period:- Two months; h. Severance Fees:- No severance fees is payable; i. Fixed Component: Fixed component is his salary; j. Performance Linked Incentive:- Performance Linked Incentive within the above range, as decided by Nomination and Remuneration Committee of the Board; k. Reimbursements of expenses as per company's policy |
| Qualification | MBA- Marketing, Masters in Commerce and Post Graduate Diploma in Business Management |
| List of Other Directorships | NIL |
| Names of Listed Entities in which the person also holds the directorship | No Company other than Paul Merchants Limited |
| Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd | Membership- Executive Committee |
| 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 (As on 31.03.2024) | NIL |
| Shareholding in the Company as a Beneficial Owner (As on 31.03.2024) | NIL |

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

Mr. Ritesh Vaid is not related to any Director, Manager or Key Managerial Personnel of the Company.

No. of Meetings of Board attended during the FY 2023-24

06

Annexure N-6

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

| I. General information: | | | | | |
|---|---|--|-------------------|-------------------|--|
| (1) Nature of industry | The Company operates principally in three business verticals Foreign Exchange, Tours & Travels and International Money Transfer. | | | | |
| (2) Date or expected date of commencement of commercial production | The Company is already in existence, doing commercial operations since the year 1984. The Company had been granted Certificate of Commencement on 23rd July, 1984 | | | | |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable as the Company is already in existence and operating since the year 1984. | | | | |
| (4) Financial performance based on given indicators | STANDALONE BASIS:- | | | | |
| | PARTICULARS | FY 2021-22 | FY 2022-23 | FY 2023-24 | |
| | Total Income | 53,00,23,66,294 | 69,21,69,30,795 | 65,30,04,13,372 | |
| | Earnings before Interest, Depreciation and Tax and exceptional items | 30,01,93,629 | 37,33,07,443 | 39,17,81,563 | |
| | Profit before Tax and exceptional items | 28,02,06,718 | 34,95,88,362 | 35,13,77,157 | |
| | Total Profit before Tax after exceptional items | 27,37,83,774 | 34,95,88,362 | 35,13,77,157 | |
| | Total Profit after Tax | 20,39,02,032 | 25,98,40,452 | 26,12,47,765 | |
| | Total Comprehensive Income | 20,35,47,842 | 25,80,64,403 | 25,91,62,029 | |
| | CONSOLIDATED BASIS | | | | |
| | PARTICULARS | FY 2021-22 | FY 2022-23 | FY 2023-24 | |
| | Total Income | 53,68,74,09,928 | 70,12,80,54,361 | 66,72,61,34,168 | |
| | Earnings before Interest, Depreciation and Tax and exceptional items | 66,04,61,760 | 80,82,82,662 | 119,90,38,880 | |
| | Profit before Tax and exceptional items | 54,57,90,790 | 59,70,74,758 | 73,10,67,364 | |
| | Total Profit before Tax after exceptional items | 53,93,67,846 | 59,62,20,546 | 72,80,17,364 | |
| | Total Profit after Tax | 40,18,08,105 | 43,99,72,681 | 54,62,56,380 | |
| | Share of Profit (Loss) of associates and joint ventures | -95,393 | 144,014 | 0 | |
| | Total Comprehensive Income | 40,12,46,294 | 43,87,44,267 | 54,43,56,860 | |
| | (5) Foreign investments or collaborations, if any. | The share capital of the Company has a fractional shareholding (0.28%) by NRI shareholders as on 31.03.2024. | | | |

| II. Information about the appointee: | |
|---|--|
| (1) Background details | Mr. Ritesh Vaid is about 48 years of age and has been associated with the Company Paul Merchants Limited since the year 2008 in various capacities and is currently serving as Whole Time Designated Director. He has good leadership skills, tact and has helped in the development of dealer network, branch network, infrastructure and channel management for promoting the business of the Company during his tenure with the Company. He is instrumental in setting up of compliance management system and compliance with all RBI, Anti Money Laundering and KYC Regulations in the Company as Whole Time Designated Director. |
| (2) Past remuneration | <p>His remuneration for the FY 2023-24 is as given as below:-</p> <p>Annual Remuneration Rs. 23,59,800/- Annual Bonus Rs. 99,960/- Leave Encashment Rs. 72,000/- Annual Incentive Rs. 95,004/-</p> <p>His remuneration w.e.f. 01.04.2024 is as given as below:-</p> <p>Annual Remuneration Rs. 27,16,116/- Annual Bonus Rs. 1,35,000/- Leave Encashment Rs. 81,000/- Annual Incentive Rs. 95,000/-</p> |
| (3) Recognition or awards | Nil |
| (4) Job profile and his suitability | <p>Mr. Ritesh Vaid is associated with the Company since 2008 in various capacities and currently he is serving as Whole Time Designated Director and is instrumental in setting up of compliance management system and compliance with all RBI, Anti Money Laundering and KYC Regulations in the Company.</p> <p>He has qualifications like MBA- Marketing, Masters in Commerce and Post Graduate Diploma in Business Management to his credit. Keeping in view his excellent performance and contribution towards Compliance and business development of the Company and his valuable experience and on the recommendation of Nomination and Remuneration Committee and on the recommendation of Audit Committee, the Board of Directors of the Company find him suitable for the position of Whole Time Designated Director in the Company, and had approved revision in his remuneration w.e.f. 01-10-2024, in its meeting held on 13-08-2024, as specified in Special Resolution set out at item No. 5 of the Notice of the AGM.</p> |
| (5) Remuneration proposed | The Remuneration proposed to be paid to Mr. Ritesh Vaid is as per the details set out in the Special Resolution at Item No. 5 of the Notice. |
| (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | There are no set standards for remuneration in the industry. The executive remuneration in the industry has been increasing significantly in last few years. Keeping in view the type /trends in the industry, size of the Company, the profile and responsibilities shouldered by Mr. Ritesh Vaid, the Board believes that the remuneration proposed to be paid to him as Whole Time Designated Director is appropriate and commensurate with the industry standards. |

| | |
|--|--|
| | Further the remuneration proposed to be paid to him is in accordance with the Nomination and Remuneration Policy of the Company and as per the approval and recommendation of Nomination and Remuneration Committee of the Board. |
| (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other Director, if any. | <p>Mr. Ritesh Vaid pecuniary relationship with the Company during the FY 2023-24 is detailed in Annexure N-6 (a) to this report. He holds nil Equity shares in his name in the Share Capital of the Company as on date</p> <p>Mr. Ritesh Vaid is not related to any Director, Manager or other Key Managerial Personnel of the Company.</p> |
| III. Other information: | |
| (1) Reasons of loss or inadequate profits | The Company has been a consistent performer for the last almost two decades. However, the profit margins may remain inadequate particularly for the purpose of paying Managerial Remuneration due to some global economical factors, which are critical for Forex and Travel Verticals of the Company. |
| (2) Steps taken or proposed to be taken for improvement | The Company is fully geared to increase its revenues and to decrease its costs, thereby leading to improved performance in terms of profitability. Further, the social and political conditions in some countries to which a bulk of student overseas remittances are sent from India, are likely to improve in days to come or new corridors will come up, which will boost the revenues of the Company. |
| (3) Expected increase in productivity and profits in measurable terms | The objective and focus of the Board of Directors is to take the Company to further heights in Forex and Travel Division. Towards this end, the company has already put in place the required roadmap and in the backdrop of the re-engineered business model, rationalization of the work force and adjustment in the branch network, it is hoped to increase the productivity and hence to increase the profitability in the FY 2024-25 in the vicinity of 10-15%. |

Annexure – N-6 (a)

| | |
|--|--|
| Nature of contracts/arrangements/ transactions | Salary |
| Duration of the contracts/arrangements/ transactions | From 10.02.2022 till 30.09.2026 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Annual Remuneration Rs. 23,59,800/- Annual Bonus Rs. 99,960/- Leave Encashment Rs. 72,000/- Annual Incentive Rs. 95,004/- Total Annual Remuneration paid during the FY 2023-24 is Rs. 26,26,764/-. |

Annexure N-7

**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**

TO WHOM SO EVER THIS MAY CONCERN

As per information, explanations and confirmations provided to us, we are of the opinion that the following Remuneration proposed to be paid to Mr. Ritesh Vaid (DIN 09433856), as Whole Time Designated Director of the Company Paul Merchants Limited w.e.f. 01-10-2024, subject to the approval of Shareholders, on the Terms and Conditions as described below, is fair and at Arm's Length:-

REMUNERATION:-

- a. Annual Remuneration within the range of Rs. 30 Lakhs to Rs. 50 Lakhs
- b. Benefits:- Performance Bonus within the above range, as decided by Nomination and Remuneration Committee of the Board.
- c. No other benefits, bonuses, stock options, pension etc. will be payable to him during his term.
- d. Other Benefits:- Leave Encashment within the above range as per the Company's Policy and Gratuity as per Payment of Gratuity Act;
- e. Service Contract period:- From 10.02.2022 till 30.09.2026;
- f. Remuneration period :- From 01.10.2024 till 30.09.2026;
- g. Notice Period:- Two months;
- h. Severance Fees:- No severance fees is payable;
- i. Fixed Component: Fixed component is his salary;
- j. Performance Linked Incentive:- Performance Linked Incentive within the above range, as decided by Nomination and Remuneration Committee of the Board;
- k. Reimbursements of expenses as per company's policy

ADDITIONAL TERMS AND CONDITIONS:

- a. In the event of absence or inadequacy of profits in any financial year, Mr. Ritesh Vaid (DIN 09433856) will be paid the Remuneration as specified above subject to the provisions of Schedule V of the Companies Act, 2013.
- b. With the payment of Remuneration as above to Mr. Ritesh Vaid (DIN 09433856), Whole Time Designated Director, the remuneration of other Whole Time Directors and Executive Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year.
- c. The Board may allow advance against salary to him up to an amount equal to Six Month's salary as per Company's Policy, as amended from time to time.

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

**Sd/-
(HEMANI GARG)
PARTNER
M. No. 549610
UDIN: 24549610BKBGDC1825**

**Date: August 8, 2024
Place: Chandigarh**