

**40th ANNUAL REPORT
FOR THE YEAR ENDED
31st MARCH, 2024**



PAUL MERCHANTS LTD.[®]
(An ISO 9001:2008 Certified Co.) (CIN: L74900DL1984PLC018679)

www.paulmerchants.net



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CORPORATE INFORMATION

<p>BOARD OF DIRECTORS</p> <p>Mr. Sat Paul Bansal, Non-Executive Director and Chairman Mr. Rajneesh Bansal, Managing Director Mrs. Sarita Rani Bansal, Non-Executive Director Mr. Ritesh Vaid, Designated Whole Time Director Mr. Vigyan Prakash Arora, Independent Director (Term expired on 31.03.2024) Mr. Dilbag Singh Sidhu, Independent Director (Term expired on 31.03.2024) Mr. Ajay Arora, Independent Director (Term expired on 31.03.2024) Mr. Inder Sain Negi, Independent Director Mr. Nirmal Chand, Independent Director (Resigned w.e.f. 14/06/2024) Mr. Anoop Kumar Sharma, Independent Director Mr. Bhupinder Singh, Independent Director</p> <p>REGISTERED OFFICE</p> <p>DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi -110015 TEL: 011-47529460 EMAIL: info@paulmerchants.net</p> <p>CORPORATE OFFICE</p> <p>PML House, SCO 829-830, Sector 22-A, Chandigarh - 160 022 TEL: 0172-5041786, 5025090 EMAIL- info@paulmerchants.net WEBSITE: www.paulmerchants.net</p> <p>CIN: L74900DL1984PLC018679</p> <p>WHOLLY OWNED SUBSIDIARIES</p> <p>PML Realtors (Pvt) Ltd Paul Merchants Finance (Pvt) Ltd Paul Infotech (Pvt) Ltd</p> <p>Stock Exchange – BSE Ltd.</p>	<p>STATUTORY AUDITORS</p> <p>M/s Rajiv Goel and Associates, Chartered Accountants, S.C.O. 823-24, FF, Sector 22-A, Chandigarh (Firm Regn. No. 011106N)</p> <p>INTERNAL AUDITOR</p> <p>CA Aarti Markan (FCA 502300)</p> <p>SECRETARIAL AUDITOR</p> <p>CS Anil Singh Negi (ACS 46547)</p> <p>CHIEF FINANCIAL OFFICER</p> <p>CA Naveen Kumar Laroia (FCA 088257) (Resigned on 12/08/2024)</p> <p>CA Sakshi (FCA 419986) (Appointed on 13/08/2024)</p> <p>COMPANY SECRETARY AND COMPLIANCE OFFICER</p> <p>CS Hardam Singh (FCS 5046)</p> <p>PRINCIPAL BANKERS</p> <p>HDFC Bank IDBI Bank IndusInd Bank Yes Bank ICICI Bank IDFC First Bank State Bank of India Axis Bank</p> <p>REGISTRAR & TRANSFER AGENT</p> <p>Alankit Assignments Limited, Corp. Office:- Alankit House, 4E/2, Jhandewalan Extn. New Delhi-110055 (INDIA) Ph No. : 011-42541234 / 23541234 Regd. Office: 205-208 Anarkali Complex Jhandewalan Extension New Delhi- 110055</p>
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YEAR 2023-24 – AT A GLANCE (ON STAND ALONE BASIS)

Gross Revenues from Operations

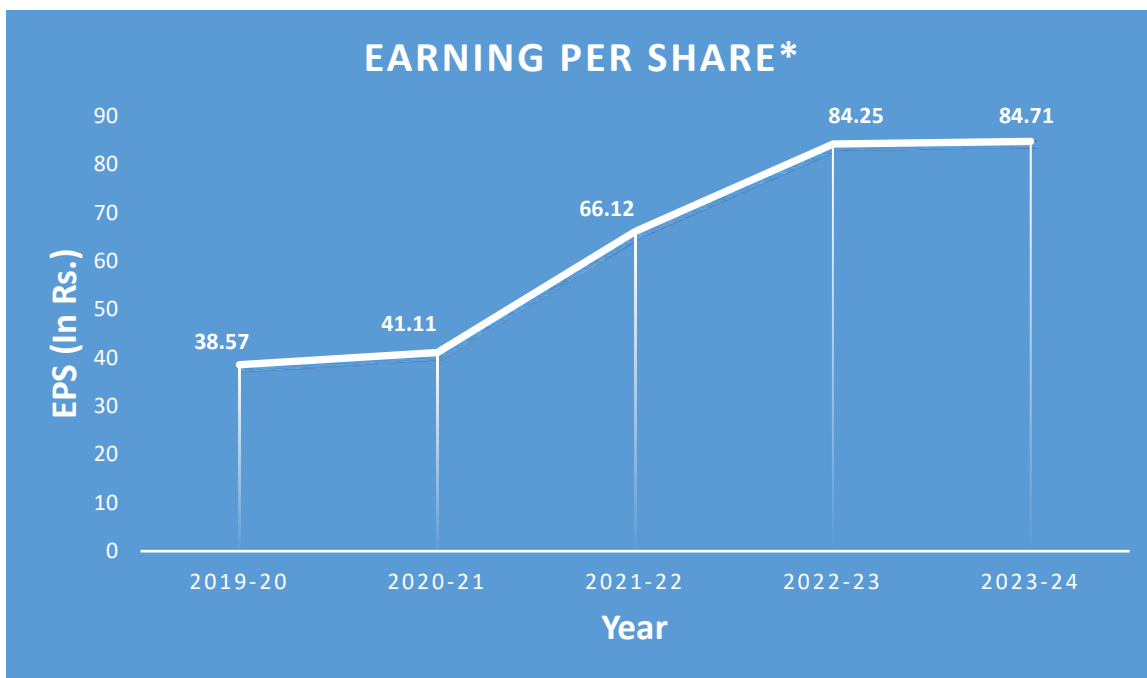
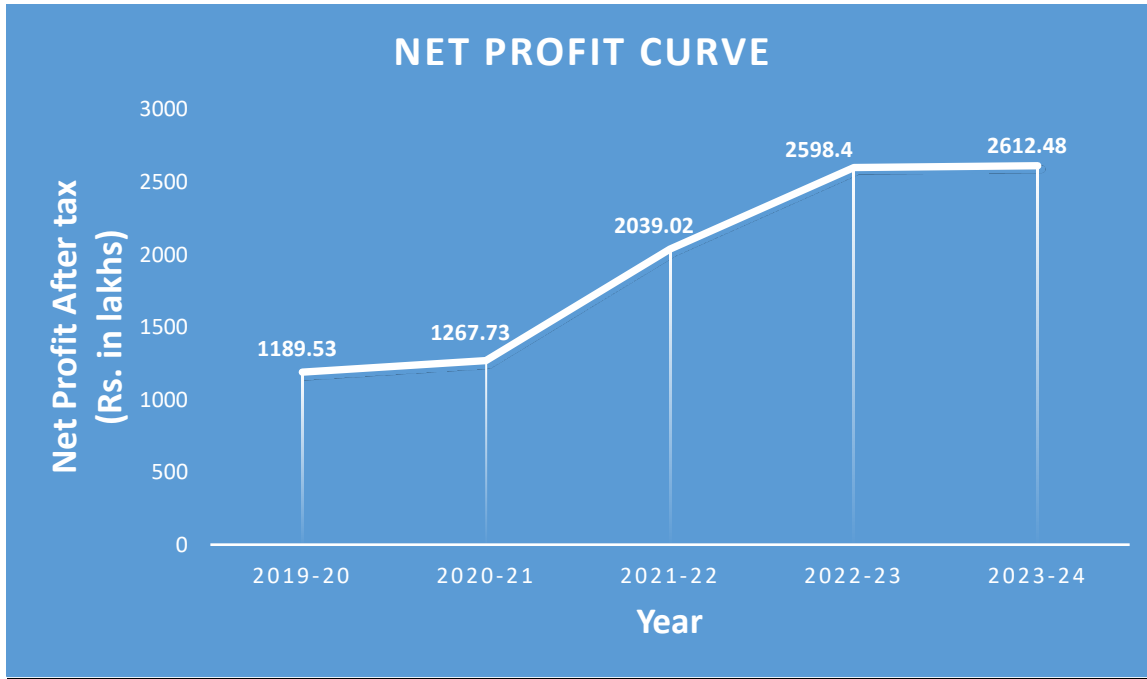
Rs. 6501.84 crores

Net Profit Before Tax

Rs. 35.14 crores

Net Profit after Tax

Rs. 26.12 crores



*Note:- Consequent to the issue of Bonus Shares by the Company during the Financial Year 2023-24, the paid up capital of the Company has increased. Accordingly, the earning per share has been adjusted for all previous periods also.



LIST OF BRANCH OFFICES OF THE COMPANY

S No	Region	Branch city	State	Address of the branch
1	West	Ahmedabad	Gujarat	GF 1, Mansuri House, Opp Behra- Munga School, Ashram Road, Ahmedabad – 380009
2	West	Ahmedabad	Gujarat	Shop No. 5, Pramukh Palace, Jai Hind Char Rasta, Maninagar, Ahmadabad 380008
3	West	Ahmedabad	Gujarat	7, Krishan Tower, Opposite Sachin Tower, Anand Nagar, 100 Ft. Ring Road, Ahmedabad - 380014
4	North	Ajnala	Punjab	Shop No - 1 Gali Bhatti Wali Opposite Muthoot Finance Ajnala, Punjab 143001, District Amritsar
5	North	Ambala	Haryana	6349, Nicholson Road, Punjabi Mohalla, Ambala Cantt. - 133001
6	North	Amritsar	Punjab	Ground Floor, Shop No 5, Deep Complex, Court Road, Opp. Doaba Automobiles, Amritsar-143001
7	North	Baggapurana	Punjab	Opp. Bharat Petroleum, Kotkapura Road Baghapura-142038 District Moga.
8	North	Banga	Punjab	Star Complex, Main Road, Banga -144505 (Punjab)
9	North	Barnala	Punjab	B12/256-257-258-259, Pukka College Road, Opp Darbari Lal Tondon House, Barnala 148101
10	North	Batala	Punjab	SCO 30, Fuwara Chowk, Jalandhar Rd, Batala, Punjab 143505
11	North	Bathinda	Punjab	Ground Floor, Shop No 3039-A, Sharma Complex, Power House Road, Opposite Traffic Police, Bathinda (Punjab)
12	North	Bhagsunath	Himachal Pradesh	VPO Bhagsunag, Tehsil Dharamshala Distt. Kangra, HP-176219
13	North	Bathinda	Punjab	The Mall, Hanuman Chowk, Bathinda
14	Central west	Bhopal	Madhya Pradesh	Plot No 6, VNV Plaza, M.P Nagar, Zone-2, Bhopal-462011.
15	North	Bir	Himachal Pradesh	Bir Tibetan Colony, Opposite Surya Classic Hotel, Village Chaugan, Teh Baijnath, Distt. Kangra. Himachal Pradesh 176077
16	North	Chandigarh	Chandigarh UT	SCO No 829-830, Sector 22-A, Chandigarh-160022
17	South	Cochin	Kerala	No.1 & 2, Ground Floor, Corp No. 35/1460 C, Penta Estate, Janatha Junction, Palarivattom, Kochi - 682025
18	North	Delhi	New Delhi	LGF 136 & LGF 125 , World Trade Centre, Babar Road, Connaught Place, New Delhi - 110001
19	North	Dasuya	Punjab	G.T Road, Near Punjab National Bank, Dasuya-144308
20	North	Delhi	New Delhi	DSM 335,336,337, 3 rd Floor, DLF Tower, 15 Shivaji Marg, Najafgarh Road, Moti Nagar, New Delhi



21	North	Faridkot	Punjab	Jubilee Cinema Chowk, College Road, Opp. Canara Bank, College Road, Faridkot (Punjab)-151203
22	North	Ferozpur	Punjab	The Mall Road, Shaheed Udham Singh Chowk Market, Opp. Axis Bank, Ferozpur City-152001
23	North	Gardhiwala	Punjab	Shop No 08, Near College Canteen, VPO Gardhiwal, Dasuya Road, Distt Hoshiarpur Punjab.
24	North	Garhshankar	Punjab	Opp SBOP, Near Railway Station, Hoshiarpur Road, Garhshankar-144528
25	North	Gurdaspur	Punjab	Shop No.1, Shivam Market, Opp LIC Office, G T Road, Gurdaspur-143521
26	North	Gurgaon	Haryana	Shop No.117, Ground Floor, AKD Tower, Sector - 14, Gurgaon (Haryana)
27	North	Hoshiarpur	Punjab	Roshan Road, Near Bengali Sweet Shop, Phagwara Chowk, Hoshiarpur-146001
28	North	Hoshiarpur	Punjab	Near Cooperative Bank, Railway Road, Hoshiarpur 146001
29	South	Hyderabad	Telangana	5 & 6 Upper Ground Floor, Liberty Plaza, Himayat Nagar, Hyderabad - 500029
30	Central west	Indore	Madhya Pradesh	Lower Ground Floor, Shop No. LG-2, Royal Rattan Building, 7 M.G Road, Indore-452001
31	Central west	Jabalpur	Madhya Pradesh	Shop No. 7 - 8 , Narmada Plaza, Bloom Chowk, Shastri Bridge, Jabalpur, M.P
32	North	Jagraon	Punjab	Shop No. 111, K.S. Grewal Down Town Tehsil Road, Opp SSP Office, Jagraon, Distt. Ludhiana-142026
33	North west	Jaipur	Rajasthan	8, Katewa Bhawan, Opp. Ganpati Plaza, M.I. Road, Jaipur 302001
34	North	Jalandhar	Punjab	Shop No.19, Ground Floor, G.T. Road, Near BMC Chowk, Jalandhar-144006
35	North	Jammu	Jammu and Kashmir	Shop No. AE1, Part Of E3, Situated At Karan Market, Jammu - 180002
36	North	Karnal	Haryana	DSS No-207,Sec 12 Part 1, Opp Muthoot Finance, Karnal-132001
37	North	Kasol	Himachal Pradesh	VPO Kasol, Tehsil Bhunter, Distt Kullu, Himachal Pradesh-175005
38	North	Khanna	Punjab	Ground Floor, Hardyal Complex, Near Jain Sweet, Opp Bus Stand, Khanna
39	North	Kurukshetra	Haryana	SCO No. 44, Sector 17, Main Market, Kurukshetra - 136118
40	North	Leh	Jammu and Kashmir	Khawaja Complex, Main Bazaar Road, Opposite State Bank of India, Leh-194101
41	North	Phagwara	Punjab	Shop No 309, Shopping Mall, Lovely Professional University Campus, Jalandhar- Delhi G.T Road, NH - 1, Phagwara (Distt, Kapurthala)-144401
42	North central	Lucknow	Uttar Pradesh	Office No. 1, UGF, Inam Complex, Constructed On House No. 34, Nagar Nigam No. 126/6, Opp. Kareems Restaurant, Near Babu Bhavan, B.N Road, Lalbagh, Lucknow 226001



43	North	Ludhiana	Punjab	SCO 14, 1st Floor, Green Park Avenue, Canal Colony, Pakhowal Road, Ludhiana
44	North	Mahilpur	Punjab	Phagwara Road, Mahilpur, Distt Hoshiarpur-146105
45	North	Manali	Himachal Pradesh	Shop No. 5, Ram Bag, The Mall, Manali, (Distt Kullu), Himachal Pradesh-175131
46	North	Mcleodganj	Himachal Pradesh	Shop No. 1 A , Ground Floor, Asian Plaza Complex, Opp Main Bus Stand Chowk, Main Square, Mcleodganj, Dharmshala, Himachal Pradesh - 176219
47	North	Mcleodganj	Himachal Pradesh	Shop. No.1 & 2, Main Square, Mcleodganj, Dharamshala, Distt. Kangra
48	North	Moga	Punjab	Ground Floor, Puri Complex, G T Road, Moga-142001
49	North	Moga	Punjab	SCO/SCF-24, Ground Floor, Lal Bahadur Shastri Complex Of Improvement Trust, Near Axis Bank, G T Road, Moga, (Punjab)-142001
50	North	Mohali	Punjab	Booth No 17, Phase VII, Mohali-160062
51	West	Mumbai	Maharashtra	303 SO, Lucky Corner Society, Andheri Kurla Road, Opposite Holy Family Church, Andheri, East, Mumbai-400099
52	West	Nadiad	Gujarat	Shop No.10, Municipal Shopping Centre, Opp Paras Cinema, Nadiad-387001
53	North	Nakodar	Punjab	Banwari Towers, G.F., Opp Bus Stand, Near Oriental Insurance, Nakodar (Distt Jalandhar)-144040
54	North	Nawanshahr	Punjab	B-78, Lajpat Complex, Near Rai Market, Adjoining PNB Bank, Ambedkar Chowk, Nawanshahr-144514
55	North	Pathankot	Punjab	Building No. 2, Ground Floor, Opp. Venice Hotel, Dhangu Road, Pathankot-145001
56	North	Patiala	Punjab	Opp. Gurudwara Dukhniwaran Sahib, Passey Road, Patiala 1470001
57	North	Pehowa	Haryana	Opp Bus Stand, Near Chhabra Sweets, Ambala Road, Pehowa - Haryana - 136128
58	North	Phagwara	Punjab	#37, Lower Ground Floor, Handa City Centre, Opp. Bus Stand, Phagwara (Distt Kapurthala)-144401
59	North	Phillaur	Punjab	Old Nawanshahr Road, Phillaur, Punjab-144410
60	West	Rajkot	Gujarat	Shop No. U 32, Neptune Tower, Opp Jalaram Petrol Pump, Kalavad Road, Rajkot 360001
61	North	Rupnagar	Punjab	SCO No. 24, Beant Singh Aman Nagar, Rupnagar Part-2, -144001
62	North	Sri Ganganagar	Rajasthan	Shop No 13, L Block, Opp Radhe Shyam Kothi and Thareja Hospital, Radhe Shyam Kothi Road, Sri Ganganagar-335001
63	North	Sudhar	Punjab	Above Jio Store, First Floor, Near Dashmesh Medical Store, Main Bazar Sudhar (Distt Ludhiana) - 141104



64	North	Sunder Nagar	Himachal Pradesh	Shop at Bhojpur, Abutting To NH 21, Mandi Road, Sunder Nagar, Himachal Pradesh - 174401
65	West	Surat	Gujarat	Shop No.318, Upper Ground Floor, Turning Point Complex, Near Majura Fire Station, Ghod Dod Road, Surat – 395007
66	North	Tanda	Punjab	Deep Complex, Opp Municipal Office, Near Bus Stand, Tanda Urmar-144204
67	North	Tarn Taran	Punjab	Guru Ram Dass Marg, Char Khamba Chowk, Opp Punjab & Sind Bank, Tarntaran-143401
68	North	Una	Himachal Pradesh	Shop No 2, Near Lovely Sweets Shop, Amb Road, Una, Himachal Pradesh -174303
69	North	Urapar	Punjab	Opp Near Gurudwara Shaheed Ganj, VPO Urapar, Distt Nawashahar (Punjab)-144422
70	West	Vadodara	Gujarat	Shop No 102, First Floor, Dwarkesh Complex, Near Welcome Hotel, R.C. Dutt Road, Alkapuri, Vadodara-390005
71	North	Zirakpur	Punjab	SCO No 3-4, Ground Floor, Shree Balaji, Complex, Patiala Road, Zirakpur-140603



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

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	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.



	<p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</p> <p>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.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</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/IdeasDirectReq.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</p>



	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
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	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.

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 OR Date of Birth (DOB)	<p>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.</p> <p>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.</p>

- 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



	<p>basis. The RFA discontinued w.e.f. 01.05.2024.</p> <p>Commission: - Up to 3% of the Net Profits of the Company computed under Section 198 of Companies Act, 2013, earned during any 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



<p>Chairmanship/Membership of the Committees of the Board of Directors of other Companies</p>	<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.
<p>Names of listed entities from which the person has resigned in the past three years</p>	<p>NIL</p>
<p>Membership/Chairmanship of the Committees of listed entities from which the person has resigned in the past three years</p>	<p>NIL</p>
<p>Shareholding in the Company (As on 31.03.2024)</p>	<p>8,82,759 Equity Shares (28.62%)</p>
<p>Shareholding in the Company as a Beneficial Owner (As on 31.03.2024)</p>	<p>NIL</p>
<p>Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-</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>	
<p>No. of Meetings of Board attended during the FY 2023-24</p>	<p>6</p>



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	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			
(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.</p>			



	<p>Keeping in view his excellent performance and contribution towards every sphere of the business of the Company and his valuable experience and on the recommendation of Nomination and Remuneration Committee and on the recommendation of Audit Committee, the Board of Directors of the Company 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:	i. Salary is payable per month 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 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 Total Annual Remuneration paid during the FY 2023-24 is Rs. 3,89,29,777/- including Commission.	

**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>	
<p>Nature of Expertise in Specific Functional Area and experience:-</p> <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>	
<p>Terms and Conditions of Appointment or Re-appointment and Remuneration, if any:</p>	
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:-</p> <p>Annual Remuneration Rs. 23,59,800/-</p> <p>Annual Bonus Rs. 99,960/-</p> <p>Leave Encashment Rs. 72,000/-</p> <p>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>
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	Membership- Executive Committee



of the Board of Directors of Paul Merchants Ltd	
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	NIL
Names of listed entities from which the person has resigned in the past three years	NIL
Membership/Chairmanship of the Committees of listed entities from which the person has resigned in the past three years	NIL
Shareholding in the Company (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</p>			



	its meeting held on 13-08-2024, as specified in Special Resolution set out at item No. 5 of the Notice of the AGM.
(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)	<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. 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.</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. 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**



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting before you their 40th Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March, 2024.

FINANCIAL SUMMARY/HIGHLIGHTS

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

PARTICULARS	2023-24	2022-23
	(Amount in Rs Lakhs)	(Amount in Rs Lakhs)
Gross Income	6,53,004.13	6,92,169.31
Profit Before Interest and Depreciation	3,917.82	3,733.07
Interest	132.08	65.32
Profit after Interest before Depreciation	3,785.74	3,667.75
Provision for Depreciation	271.97	171.87
Exceptional Items	0	0
Net Profit Before Tax	3,513.77	3,495.88
Provision for Tax	873.86	934.92
Deferred Tax	27.43	(37.44)
Net Profit After Tax	2,612.48	2,598.40
Other Comprehensive Income/(Loss) (net of tax)	(20.86)	(17.76)
Total Comprehensive Income (net of tax)	2,591.62	2,580.64
Transferred to Reserves and Surplus	2,591.62	2,580.64
Reserves and Surplus	47,317.99	44,931.97
Proposed Dividend on Equity Shares	Nil	Nil

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

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



The Company operates principally in three business verticals Foreign Exchange, Tours & Travels and International Money Transfer. During the year under review, Gross revenue from Foreign Exchange Services stood at Rs. 6471.08 Crores, Service Charges on Foreign Exchange Services stood at Rs. 6.54 crores. In Tours & Travel Segment, Turnover from Hotel Bookings & Packages stood at Rs. 3.36 crores and Revenue from other activities in the said segment stood at Rs. 1.93 crores. Gross revenue from International Money Transfer stood at Rs. 28.35 Lakhs. Other operating revenues stood at Rs 18.65 Crores. The Profit before tax stood at Rs. 35.14 Crores and Profit after tax stood at Rs. 26.12 crores after adjusting for deferred Tax. For further details, kindly refer to the Financial Statements, Management Discussion & Analysis Report annexed as **Annexure D-3**.

ANNUAL RETURN

In terms of Section 134 (3)(a) of the Companies Act, 2013 (hereinafter to be referred to as Act) the Annual Return as referred to in sub section (3) of Section 92 is available on the [weblink https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/07/PML-MGT-7-website-1.pdf](https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/07/PML-MGT-7-website-1.pdf)

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

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

During the Financial year 2023-24, 6 (Six) Board Meetings were held and 1 (One) Independent Directors meeting was held on 13-02-2024. The dates on which the Board Meetings were held are 11/04/2023, 23/05/2023, 11/08/2023, 09/11/2023, 20/12/2023 and 13/02/2024. Further details as required under Part C of Schedule V to the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the Corporate Governance Report, which is annexed as **Annexure D-9**, forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT:-

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;



- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

FRAUDS REPORTED BY AUDITORS

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

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB SECTION 6 OF SECTION 149 OF THE COMPANIES ACT, 2013

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

POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION

Pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board Members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMPs and other employees is attached as **Annexure D-1** as Nomination and Remuneration Policy, which forms part of this report.

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

(i) by the Auditor in his report:-

M/s RAJIV GOEL & ASSOCIATES (Firm Regn. No. 011106N), Chartered Accountants, Chandigarh, were appointed as Statutory Auditors of the Company at the 36th Annual General Meeting held on 29th September, 2020 for a term of five consecutive years. The Auditors' Report being self-explanatory, requires no comments from the Directors.



Further, there are no reservations, qualifications, disclaimers, adverse remarks or Modified opinion in the Audit Reports issued by them in respect of Standalone as well as Consolidated Financial Statements of the Company for the Financial Year 2023-24.

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

Mr. Anil Singh Negi, a Company Secretary in practice having CP no. 17213 and Membership no. 46547 was appointed by the Board of Directors as Secretarial Auditor of the Company for the financial year under review pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR-3 is annexed as **Annexure D-2** and forms part of this report. There are no qualifications, reservations, adverse remarks or disclaimer by the Secretarial Auditor in the Report issued by him for the financial year 2023-24 which call for any explanation from the Board of Directors.

Further, there is one material unlisted subsidiary of the Company M/s Paul Merchants Finance (Pvt) Limited during the Financial Year under review. As such, Secretarial Audit Report of the said material unlisted subsidiary has also been annexed to this Report as **Annexure D-2A** as required under Regulation 24A of Listing Regulations. There are no qualifications, reservations, adverse remarks or disclaimer by the Secretarial Auditor in the Report issued by him for the financial year 2023-24 which call for any explanation from the Board of Directors.

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

Pursuant to Section 134(3)(g) of the Act, particulars of Loans, Guarantees, Securities and Investments under Section 186 of the Act made during the Financial Year 2023-24 are attached as **Annexure D-4** which forms part of this report. Further reference in this regard can be made to Note 2, 6, 9, 10, 37, 38 and 41 to the Standalone Financial Statements for further details.

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

With reference to Section 134(3)(h) of the Act read over with Rule 8(2) of the Companies (Accounts) Rules, 2014, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year were on an arm's length basis and in the ordinary course of business. In the opinion of the Board, these transactions were justified to be executed because all the transactions had been entered into in the ordinary course of business of the Company in the furtherance of the business objectives. All the said transactions were done with prior approval of the Audit Committee and the Board as required under the relevant Statutes. The transactions entered into pursuant to the omnibus approval of the Audit Committee were also placed every quarter before the Audit Committee for its review. All the said transactions do not



attract the provisions of Section 188 of the Companies Act, 2013 and as such, though not required under the said Section, the details of these transactions have been given in Form AOC-2 on voluntary basis, annexed as **Annexure D-5**, which forms part of this report. Pursuant to Regulation 23(9) of the Listing Regulations, your Company has also duly filed the reports on related party transactions with the Stock Exchange BSE Ltd. within the dates prescribed under the said Regulation.

During the year under review, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' according to the policy of the Company on Materiality of Related Party Transactions. Your attention is also drawn to the Related Party disclosures set out in Note no. 41 of the standalone Financial Statements for further details, forming part of this Annual Report.

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

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/08/Related-Party-Transaction-Policy-23-05-2023.pdf>

TRANSFER TO RESERVES:-

Entire amount of Net Profit of Rs. 2612.48 Lakhs and Other Comprehensive loss of Rs. 20.86 Lakhs for the year has been transferred to the Reserves under the head "Other Equity" in the Balance Sheet. No amount has been transferred or proposed to be transferred to any other reserves.

DIVIDEND:-

Your Directors have decided to reinvest the earnings in the growth of business and for this reason, have decided to not to recommend any amount for declaration of Dividend for the year under review. Hence, information required in terms of Section 134(3)(k) of the Act is Nil. The provisions regarding formulation of Dividend Distribution Policy were not applicable to the company during the FY 2023-24.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments, affecting the financial position of the Company happening between the end of the Financial Year 2023-24, to which the



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

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

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

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

The Company has in place a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company and also the comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically as per the Risk Management Policy of the Company, framed in terms of the Companies Act, 2013 and Regulation 17(9)(b) of the Listing Regulations. The Board oversees the preparation of Risk Management Policy, reviews and monitors the same on regular basis and ensures to identify and review critical risks on regular basis, to update the Risk management policy on regular basis, to review key changes in critical risks and to issue instructions on the same to the Management and the Risk Management Committee on an ongoing basis and such other functions as it deems fit. The Company has formulated Risk Management Policy which provides an overview of the principles of risk management, explains the approach adopted by the Company for risk management, defines the organizational structure for effective risk management, develops a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions, identify, assess, manage and mitigate existing and new risks including the elements of risk that may threaten the existence of the Company, in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company’s human, physical and financial assets. Though not covered under Regulation 21(5) of Listing Regulations, the Company has a voluntarily constituted Risk Management Committee, comprising Members of the Board and Senior Management Team of the Company as its members. This Committee monitors and reviews the risk management plan apart from performing other functions as specified by the Board of Directors. The risks faced by the Company and their minimization procedures are assessed categorically under the broad heads of High, Medium and Low risks. Further, the Company identifies risks and control systems are instituted to ensure that the risks in each business process are minimized/mitigated. The Board provides oversight and reviews the Risk Management Policy periodically.



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

The details about the policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year under review in the form of CSR Policy is available on the website of the Company at <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/CSR-Policy.pdf>. During the year 2023-24, the Company has undertaken various Corporate Social Responsibility initiatives in accordance with the CSR Policy of the Company and Schedule VII to the Companies Act, 2013. The Annual Report on CSR activities undertaken by the Company during the year under review is furnished in **Annexure D-7**, which forms part of this report. Further, in terms of Section 135 of the Companies Act, 2013, the Company has a duly constituted CSR Committee of the Board and the said Committee had following composition as on March 31, 2024:-

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

The CSR Committee had following composition w.e.f. April 1, 2024:-

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

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

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

Pursuant to the applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has put in place a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of Directors of the Company, its Committees and Individual Directors, including Independent Directors. Accordingly, following is the criteria for evaluation:-



- a. **Criteria for evaluation of the Board of Directors as a whole:**
- (i) The Frequency of Meetings
 - (ii) Quantum of Agenda
 - (iii) Administration of Meetings
 - (iv) Flow and quantity of Information from the Management to the Board
 - (v) Number of Committees and their role.
 - (vi) Overall performance of the Company
- b. **Criteria for evaluation of the Board Committees:**
- (i) The Frequency of Meetings
 - (ii) Quantum of Agenda
 - (iii) Administration of Meetings
 - (iv) Flow and quantity of Information from the Management to the Committee
 - (v) Role of Committees.
 - (vi) Contribution to the decision making process of the Board.
- c. **Criteria for evaluation of the Individual Directors including Independent Directors;**
- (i) Experience and ability to contribute to the decision making process
 - (ii) Problem solving approach and guidance to the Management
 - (iii) Attendance and Participation in the Meetings
 - (iv) Personal competencies as per Chart given in the Nomination and Remuneration Policy and contribution to strategy formulation
 - (v) Contribution towards statutory compliances, monitoring of controls and Corporate Governance
 - (vi) The evaluation of independent directors shall be done by the entire board of directors which shall include:-
 - (a) Performance of the directors; and
 - (b) fulfillment of the independence criteria as specified in the Companies Act, 2013 and Listing Regulations and their independence from the management:
Provided that in the above evaluation, the directors who are subject to evaluation shall not participate

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

Accordingly, for the FY 2023-24, the annual performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors has been carried by the Board in its Meeting held on 16-05-2024 in terms of the provisions of Section 134 (3) (p) of the Companies Act, 2013 read over with Rule 8(4) of Companies



(Accounts) Rules, 2014 and also in terms of Regulation 17(10) of the Listing Regulations as per above criteria and the Board expresses its satisfaction over the performance of the Board of Directors of the Company, its Committees and Individual Directors, including Independent Directors. The performance evaluation of all the Independent Directors have been done by the entire Board and while doing so, the Director subject to evaluation had not participated. On the basis of performance evaluation done by the Board, it has been determined whether to extend or continue the term of appointment of concerned directors, whose term was due to expire during the year under review.

The Independent Directors had met separately on 13-02-2024 without the presence of Non-Independent Directors and the members of management, except the Company Secretary of the Company who was present in the meeting for the purpose of coordination. In the said Meeting, the Independent Directors discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance, performance of the entire Board of the Company as a whole and all its Committees in its meeting held on 24-04-2024 as per above mentioned criteria.

The Board of Directors express their satisfaction over the evaluation process.

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

The information in terms of Rule 8 (1) of Companies (Accounts) Rules is given below:-

The Company has three Wholly Owned Subsidiaries namely:-

- a. Paul Merchants Finance Private Ltd., which is engaged in the business of Gold Loans, Business/personal loans, distribution of Insurance products and PPI Instruments.
- b. PML Realtors Private Ltd., which is engaged in buying and selling of Real Estate Properties.
- c. Paul Infotech Private Limited, which has been incorporated during the FY 2023-24 as a Wholly Owned Subsidiary of Paul Merchants Limited (PML). PML has contributed a sum of Rs. 25,00,000/- towards Equity capital in this Company. This Company has not undertaken any commercial operations in the FY 2023-24.

During the FY 2023-24, the Wholly Owned Subsidiary Company Paul Merchants Finance (P) Ltd. achieved gross revenue of Rs. 167.29 crores as against previous year figures of Rs. 110.98 crores registering a growth of 50.74% over previous year. Further, the said



Subsidiary Company achieved a Net profit after Tax of Rs.30.53 crores as against the previous year figures of Rs. 18.94 crores.

During the FY 2023-24, the Wholly Owned Subsidiary Company PML Realtors (P) Ltd., achieved gross revenue of Rs. 62.42 Lakhs as against previous year gross revenue of Rs 1.43 crores. Further, the said Subsidiary Company achieved Net Profit after Tax of Rs. 29,72,096.87 as against previous year figures of Rs. 46,44,825.40 registering a decline in profit of 36.01% over previous year.

The Wholly Owned Subsidiary Company Paul Infotech Private Limited has not undertaken any commercial operations in the FY 2023-24. The expenses incurred to set up the company was Rs.40,282/-.

On a consolidated basis, the revenue from operations for FY 2023-24 was Rs. 6666.58 crore registering decline of 4.91% over the previous year's revenue of Rs. 7011.00 crore. The consolidated profit after tax (PAT) attributable to shareholders and non-controlling interests for FY 2023-24 was Rs. 54.63 Crore as against the previous year figures of Rs. 44.01 Crore, registering a growth of 24.12 %. The contribution by each Subsidiary to the overall performance of the company during the period under report is detailed below:-

Name of the Company	Share in profit or loss for the year ending 31st March 2024		Share in profit or loss for the year ending 31st March 2023	
	As %age of consolidated profit or loss	Amount (Rs in lakhs)	As %age of consolidated profit or loss	Amount (Rs in lakhs)
Paul Merchants Limited	45.87%	2612.48	57.22%	2598.4
Subsidiary Companies:-				
Paul Merchants Finance Private Limited	53.61%	3053.40	41.72%	1894.45
PML Realtors Private Limited	0.52%	29.72	1.02%	46.45
Paul Infotech Private Limited	-0.01%	-0.40	N/a	N/a
Joint Venture (Investment as per Equity Method):-				
Paul Innovations LLP	Nil	Nil	0.03%	1.44
TOTAL		5695.20		4540.74
Adjustments arising out of consolidation	Nil	-232.63	Nil	-139.58
TOTAL		5462.57		4401.17



Report on the performance and financial position of the Subsidiary Companies and Joint Venture Company in the specified format AOC-1 is annexed to the Directors' Report as **Annexure D-12.**

CHANGE IN THE NATURE OF COMPANY'S BUSINESS, IF ANY

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

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

DIRECTORS

Sh. Ritesh Vaid (DIN 09433856), who was liable to retire by rotation, was re-appointed as Director by the Shareholders in their Annual General Meeting held on 29.09.2023.

The term of Mr. Ajay Arora (DIN 00314161), Independent Director of the Company came to an end w.e.f. 31.03.2024.

The term of Mr. Vigyan Prakash Arora (DIN 00806647), Independent Director of the Company came to an end w.e.f. 31.03.2024.

The term of Mr. Dilbag Singh Sidhu (DIN 05210193), Independent Director of the Company came to an end w.e.f. 31.03.2024.

Mr. Jeewan Lal Negi (DIN 09166359) resigned from his position of Independent Director of the Company w.e.f. 27.12.2023 and his resignation had been accepted and taken on record by the Board in its meeting held on 13.02.2024. Same was duly intimated to BSE and RBI.

On the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company had appointed Sh. Anoop Kumar Sharma (DIN: 02296633) as Additional Director in the capacity of a Non-Executive Independent Director of the Company. His appointment as Non-Executive Independent Director of the Company was approved by the Shareholders of the Company through postal ballot by way of e-voting process concluded on March 15, 2024.

On the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company had appointed Mr. Bhupinder Singh (DIN: 02152722) as Additional Director in the capacity of a Non-Executive Independent



Director of the Company. His appointment as Non-Executive Independent Director of the Company was approved by the Shareholders of the Company through postal ballot by way of e-voting process concluded on March 15, 2024.

On the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company had appointed Mr. Nirmal Chand (DIN: 10041305) as Additional Director in the capacity of a Non-Executive Independent Director of the Company. His appointment as Non-Executive Independent Director of the Company was approved by the Shareholders of the Company through postal ballot by way of e-voting process concluded on March 15, 2024.

Mr. Nirmal Chand (DIN: - 10041305) resigned from the position of Independent Director of the Company w.e.f. 14.06.2024 due to the reason that he was holding independent directorship in M/s RBL Finserve Limited, which is a wholly owned subsidiary of RBL Bank Limited (RBL) and RBL is one of the Lenders of Paul Merchants Finance Private Limited, Wholly owned subsidiary of Paul Merchants Limited and his simultaneous directorships in these two Companies were conflicting with each other.

Further, in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Smt. Sarita Rani Bansal (DIN 00094504), Director of the Company will retire by rotation in the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

The Brief Resume and other details relating to the Directors who is proposed to be appointed/re-appointed in the ensuing Annual General Meeting of the Company, as required to be disclosed under Regulation 36 of the Listing Regulations and as per Secretarial Standards-2, forms part of the Notice of Annual General Meeting.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 as on 31.03.2024 are as follows:-

Sh. Rajneesh Bansal	Managing Director
Sh. Naveen Kumar Laroiya*	Chief Financial Officer
Sh. Hardam Singh	Company Secretary

Mr. Rajesh Garg resigned from the position of Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 09/11/2023.

*Mr. Naveen Kumar Laroiya, Chartered Accountant (FCA 088257) was appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 09/11/2023 and he resigned on 12/08/2024 due to his major spinal surgery.



Ms. Sakshi, Chartered Accountant (FCA 419986) was appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 13/08/2024.

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

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

The shareholders vide postal ballot concluded on March 15, 2024 approved the appointment of Mr. Anoop Kumar Sharma, Mr. Bhupinder Singh and Mr. Nirmal Chand, as Independent Directors with effective from 13.02.2024, for a term of five (5) years till 12.02.2029.

In the opinion of the Board, the independent directors appointed during the year possess requisite integrity, expertise, experience and proficiency.

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

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

Paul Infotech Private Limited has been incorporated during the FY 2023-24 as a Wholly Owned Subsidiary of Paul Merchants Limited (PML) to operate in the field of Information Technology. PML has contributed a sum of Rs. 25,00,000/- towards Equity capital in this Company during the FY 2023-24. This Company has not undertaken any commercial operations in the FY 2023-24.

No other Company has become or ceased to be Company's Subsidiary, Joint Venture or Associate during the year under review.

DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE ACT

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



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

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

Directorate of Enforcement, Ministry of Finance, Government of India, Chandigarh served a Show Cause Notice on February 29, 2024 on the Company and its Principal Officer as to why adjudication proceedings as contemplated under Section 16 and Section 13 of FEMA, 1999 should not be held against them and why penalty as provided under section 13(1) of FEMA, 1999 should not be imposed for alleged contravention by the Company of Section 10(5) of Foreign Exchange Management Act and RBI Master Directions on KYC, with respect to conduct of thorough due diligence before undertaking transactions relating to release of Foreign Currency on behalf of Tour Operators and its failure to discharge its legal obligations regarding remittance of foreign currency amounting to Rs. 283,57,01, 944/-. The Company had made due disclosures regarding this matter to the BSE Ltd on 16.09.2021 and on 29.02.2024 and to RBI on 17.09.2021 and 28.03.2024. After receipt of the said SCN, the Company and its Principal Officer filed their applications with RBI for compounding of the alleged offense U/S 15 of the Foreign Exchange Management Act, 1999 (FEMA), pursuant to which RBI has intimated the Company that the Company being an Authorized Person, the matter shall be dealt with accordingly u/s 11(3) of FEMA and the same remains pending as on the date of this report. The application of Principal Officer of the Company will be processed under Section 15 of the FEMA only and that matter also remains pending as on the date of this report.

The above information, though not in the nature of any significant or material order passed by any Regulatory Authority, has been given only as a matter of good corporate governance practice.

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

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



'Internal Control Systems and their adequacy and Risk Management' section in the Management's discussion and analysis annexed as **Annexure D-3**, which forms part of this report.

The Internal Financial Control systems in place in the Company have been reviewed by the Audit Committee in its meeting held on 15-05-2024 and by the Board of Directors of the Company in their meeting held on 16-05-2024 with reference to the FY 2023-24 and have satisfied themselves that the Internal Financial Control systems in place in the Company are adequate.

DISCLOSURE AS TO COST AUDIT AND COST RECORDS

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

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

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

As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company follows calendar year for annual filling with statutory authority and as per the said annual return filed by the Company on 24.01.2024 with the prescribed Authority, Nil complaints related to sexual harassment were raised in the calendar year 2023.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR UNDER REVIEW ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

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



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

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

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

The Annual Report of the Company contains a Declaration by the Managing Director in terms of Para D of Schedule V to the Listing Regulations on the declarations received from the Directors and the Senior Management personnel affirming compliance with the Code applicable to them during the year ended March 31, 2024. This Declaration has been given as **Annexure D-8** to this Report.

REVIEW OF LEGAL COMPLIANCE REPORTS

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

MAXIMUM TENURE OF INDEPENDENT DIRECTORS

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

SHARE CAPITAL

a. ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS

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

b. ISSUE OF SWEAT EQUITY SHARE

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



The Authorized Equity Share Capital of the Company as on 31st March, 2024 was Rs. 10,50,00,000/- (Rupees Ten Crore Fifty Lakhs only) and paid up Equity share capital was Rs. 3,08,40,000/- (Rupees Three Crores Eight Lakhs Forty Thousand Only).

Further there was no buy back of its own shares by the Company.

During the year under review, in accordance with the approval received from the shareholders by way of Ordinary Resolution passed through Postal Ballot, result of which was declared on 11/12/2023, the authorised share capital of the Company had been increased from ₹ 2,00,00,000/- (Rupees Two Crores only) divided into 20,00,000 (Twenty Lakhs) Equity Shares of ₹ 10/- each to ₹ 10,50,00,000/- (Rupees Ten Crore Fifty Lakhs only) divided into 1,05,00,000 (One Crore Five Lakhs) Equity Shares of ₹ 10/- each.

Further, the Board of Directors had allotted 20,56,000 Bonus equity shares of Rs. 10 each (fully paid) on 20/12/2023 to the shareholders of the Company, in the proportion of 2 equity shares for every 1 equity share to the eligible shareholders whose names appeared in the Register of members as on 19/12/2023, being the record date fixed for this purpose, in accordance with the approval received from the shareholders by way of Postal Ballot, result of which was declared on 11/12/2023. The said Bonus shares rank pari-passu in all respects with the existing equity shares of the Company, including dividend. As a result of the bonus issue, the paid up share capital of the Company got increased from Rs. 1,02,80,000/- to Rs. 3,08,40,000/-divided into 30,84,000 equity shares of Rs. 10/- each.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

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

CORPORATE GOVERNANCE

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

A Compliance Certificate from Mr. Kanwaljit Singh Thanewal, a Company Secretary in practice having CP no. 5870, confirming compliance with the conditions of Corporate Governance by the Company is also annexed to this Report as **Annexure D-10** as required under Part E of Schedule V to the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



BUSINESS RESPONSIBILITY REPORT

Regulation 34 (2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company because the Company is not among top 1000 listed entities based on market capitalization as on 31-03-2024.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Management Discussion & Analysis Report for the year under review, as stipulated under Part B of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section as **Annexure D-3**, forming part of this Report.

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMPs/EMPLOYEES:-

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1), 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure D-11** which forms part of this report.

DETAILS OF COMMISSION RECEIVED BY MANAGING DIRECTOR OR WHOLE TIME DIRECTOR

A sum of Rs. 1,10,00,000/- (Rupees One Crore Ten Lakhs Only) has been paid to Mr. Rajneesh Bansal, Managing Director of the Company, as commission for the Financial Year 2023-24 on the decision and recommendation of the Nomination and Remuneration Committee of the Company.

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

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in enclosing the Consolidated Financial Statements of Paul Merchants Limited consolidating the financials of its Wholly Owned Subsidiary Companies Paul Merchants Finance (Pvt) Ltd, PML Realtors (Pvt) Ltd. and Paul Infotech (Pvt) Ltd, as required by Section 129(3) of the Companies Act, 2013 (Act) and Listing Regulations. The said Consolidated Financial Statements are prepared in accordance with the applicable Indian Accounting Standards.



INDIAN ACCOUNTING STANDARDS, 2015

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

AUDIT COMMITTEE

Your Directors wish to inform that in Compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Audit Committee of the Board is duly constituted. The Audit Committee as on March 31, 2024 comprises of the following Independent Directors:-

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

The Audit Committee w.e.f. April 01, 2024 comprises of the following Independent Directors:-

Shri. Anoop Kumar Sharma	Non-Executive Independent Director, Chairman
Shri Inder Sain Negi	Non-Executive Independent Director, Member
Shri Bhupinder Singh	Non-Executive Independent Director, Member
Sh. Hardam Singh	Company Secretary, Secretary to the Committee

Details of the Audit Committee have been given separately in the Corporate Governance report, which is annexed herewith as **Annexure D-9**. Further, all recommendations of Audit Committee were accepted by the Board of Directors.

NOMINATION & REMUNERATION COMMITTEE

In terms of Regulation 19 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Section 178 (1) of the Companies Act, 2013, Nomination & Remuneration Committee of the Board is duly constituted. As on March 31, 2024 the Committee comprised of the following Directors:-

Sh. Dilbag Singh Sidhu	Non-Executive Independent Director, Chairman
Sh. Inder Sain Negi	Non-Executive Independent Director, Member
Shri. Vigyan Prakash Arora	Non-Executive Independent Director, Member



Sh. Hardam Singh	Company Secretary, Secretary to the Committee
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W.e.f. April 01, 2024 the Committee comprised of the following Directors:-

Sh. Anoop Kumar Sharma	Non Executive Independent Director, Chairman
Sh. Inder Sain Negi	Non Executive Independent Director, Member
Shri. Bhupinder Singh	Non Executive Independent Director, Member
Sh. Hardam Singh	Company Secretary, Secretary to the Committee

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Regulation 20 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Section 178 (5) of the Companies Act, 2013, the Stakeholders Relationship Committee of the Board is duly constituted. As on March 31, 2024 the Committee comprised of the following Directors:-

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

W.e.f. April 01, 2024 the Committee comprised of the following Directors:-

Sh. Anoop Kumar Sharma	Non- Executive Independent Director, Chairman
Sh. Rajneesh Bansal	Managing Director, Member
Sh. Sat Paul Bansal	Non- Executive Non Independent Director, Member
Sh. Hardam Singh	Company Secretary, Secretary to the Committee

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

CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES

During the year under review, in accordance with the approval received from the shareholders by way of Ordinary Resolution passed through Postal Ballot, result of which was declared on 11/12/2023, the authorised share capital of the Company had been increased from ₹ 2,00,00,000/- (Rupees Two Crores only) divided into 20,00,000 (Twenty Lakhs) Equity Shares of ₹ 10/- each to ₹ 10,50,00,000/- (Rupees Ten Crore Fifty Lakhs only) divided into 1,05,00,000 (One Crore Five Lakhs) Equity Shares of ₹ 10/- each.



Further, the Board of Directors had allotted 20,56,000 Bonus equity shares of Rs. 10 each (fully paid) to the shareholders of the Company on 20/12/2023, in the proportion of 2 equity shares for every 1 equity share to the eligible shareholders whose names appeared in the Register of members as on 19/12/2023, being the record date fixed for this purpose, in accordance with the approval received from the shareholders by way of Postal Ballot, result of which was declared on 11/12/2023. The said Bonus shares rank pari-passu in all respects with the existing equity shares of the Company, including dividend. As a result of the bonus issue, the paid up share capital of the Company got increased from Rs. 1,02,80,000/- to Rs. 3,08,40,000/- divided into 30,84,000 equity shares of Rs. 10/- each. The said additional shares issued as Bonus shares by the Company were duly listed and permitted for trading on BSE Ltd on 01.01.2024.

There is no other change in the Capital Structure of the Company during the year under review. The Shares of the Company are listed and traded at BSE Ltd under scrip code 539113.

VIGIL MECHANISM

The Company has established a Vigil Mechanism cum Whistle Blower Policy in terms of Section 177 (10) of the Companies Act, 2013 and also in terms of Regulation 4 (2) (d) and Regulation 22 of Listing Regulations. The details of the said Vigil Mechanism cum Whistle Blower Policy is given in the Corporate Governance Section, which is appended to this Report as **Annexure D-9**. The Vigil Mechanism cum Whistle Blower Policy is also available on the Company's website under weblink <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/08/Vigil-Mechanism-Policy-13.08.2024.pdf>

COMMITTEES OF BOARD

Pursuant to requirement under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted various Committees of Board such as Executive Committee, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Further, though not covered under Regulation 21(5) of Listing Regulations, the Company has voluntarily constituted a Risk Management Committee, comprising Members of the Board and Senior Management Team of the Company as its members. The details of composition and terms of reference of these Committees are mentioned in the Corporate Governance Report.

INDUSTRIAL RELATIONSHIPS:-

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



HUMAN RESOURCES DEVELOPMENT

When it comes to nurturing talent, the Company has always been a trailblazer in embracing progressive systems and cutting-edge processes to keep its human resources ahead of the curve in today's rapidly evolving technology-driven environment. The continuous investment in leadership development initiatives across all levels, emphasizes the Company's dedication to groom employees into capable managers, aligning their growth with the Company's long-term strategic plans for expansion and progress. Recognizing that its success is built on the strength and dedication of its people, the Company places human resources at the forefront of its business pursuits, harnessing the critical role they play in every facet of the organization. A point of pride for the Company lies in its workforce being recognized as strategic business partners deeply attuned to the evolving needs and goals of the organization. With customer expectations on the rise and ambitious growth targets on the horizon, it has become essential to cultivate a proactive, agile, and highly motivated workforce to drive the Company's vision forward.

The Company's unwavering commitment to align its workforce with the organizational culture underscores its prioritization of safety, well-being, and inclusivity within the workspace. Anchored by a dynamic performance evaluation system, the Company ensures that employees' personal development objectives are in sync with the long-term goals of the organization, fostering a sense of shared growth and progress. As of 31-03-2024, the Company has a dedicated team of 402 individuals on its rolls.

COMPLIANCE

The company has devised proper systems to ensure compliance of all laws applicable to the company and the compliance reports issued by the Departmental Heads along with the report of the Company Secretary under Section 205 of the Companies Act, 2013 are placed before the Board every Quarter confirming compliance by the Company with all applicable Laws. In addition, the Internal Audit and Concurrent Audit helps the Company gauge its levels of Compliance on ongoing basis and to take corrective steps, wherever needed.

COMPLIANCE WITH LISTING REGULATIONS:-

The equity shares of the company are listed on BSE Ltd (BSE). The Company has in place the following Policies as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

1. 'Policy for Preservation of Documents' under Regulation 9 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



2. 'Archival Policy' under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The web link of 'Archival Policy' is <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/08/POLICY-ON-ARCHIVAL-OF-RECORDS.pdf>
3. 'Policy on Criteria for determining Materiality of events/information' under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The web link of the 'Policy on determining of Materiality' is <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2023/08/Determination-of-Materiality.pdf>

The Company has already paid listing fees for the Financial Year 2024-25 to BSE Ltd. and has also paid the Annual Custodial fee for the Financial Year 2024-25 to the Depositories. The said Fees for the Financial Year 2023-24 were also paid duly within time.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

INSIDER TRADING:

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

CEO/CFO CERTIFICATION

In accordance with the Regulation 17 (8) read with Part B of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to corporate governance norms, Mr. Rajneesh Bansal, Managing Director and Mr. Naveen Kumar Laroiya, Chief Financial Officer (CFO), have issued a certificate as per the said Regulation for the year ended March 31, 2024. As the Company has no post of Chief Executive Officer (CEO), the said Certificate has been issued and signed by the Managing Director along with CFO of the Company. The said



certificate forms an integral part of this Report, annexed as **Annexure D-13**. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company.

DEMATERIALIZATION OF SHARES

The Company's equity shares are in compulsory Demat mode in terms of SEBI Guidelines. This has been facilitated through arrangement with NSDL and CDSL. 100% issued shares of the Company are in dematerialized form as on 31.03.2024. M/s Alankit Assignments Limited, New Delhi is acting as the Registrar and Share Transfer Agents for this purpose and acts as common agency and all activities in relation to share transfer facility are maintained by them in terms of Regulation 7 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. Your Company did not have any funds lying unpaid or unclaimed for a period of seven years as on 31-03-2024. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

The Company had declared dividend for the FY 2019-20 and there is some amount of dividend lying unpaid as on 31.03.2024, information of which has been posted on the website of the Company www.paulmerchants.net. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company shall make requisite compliances for the said unpaid dividend at the appropriate time.

FINANCIAL STATEMENTS

Annual Report 2023-24 of the Company containing Standalone as well as Consolidated Balance Sheet, Statement of Profit & Loss, Cash Flow Statement, other statements and notes thereto, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis Report and Corporate Governance Report) is being sent via email to all shareholders who have registered their email address(es) with the Depositories/Company. Full version of Annual Report 2023-24 is also available for inspection at the Registered office of the Company during working hours up to the date of ensuing Annual General Meeting (AGM). It shall



also be available at the Company`s website www.paulmerchants.net, on the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) www.evotingindia.com. The Notice of the AGM shall also be available at the website of CDSL www.evotingindia.com.

ACKNOWLEDGEMENT

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

For & On Behalf of the Board

**Sd/-
(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)**

For & On Behalf of the Board

**Sd/-
(RITESH VAID)
WHOLE TIME DIRECTOR
(DIN 09433856)**

PLACE: CHANDIGARH
Date: August 13, 2024



ANNEXURE D-1 TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

CONTENTS

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2	DEFINITIONS
3	ROLE OF COMMITTEE
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NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time. Any amendment in the said Act/Regulations at any point of time in future shall be deemed to be incorporated herein automatically. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and approved by the Board of Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the Listing Regulations, as amended from time to time. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board, Board as a whole and Board Committees and provide necessary report to the Board for further evaluation thereof by the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To recommend for Key Managerial Personnel and Senior Management, reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel** means :-
 - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
 - 2.4.2. Whole-time director;
 - 2.4.3. Chief Financial Officer;



2.4.4. Company Secretary; and

2.4.5. Such other officer as may be prescribed.

2.5. **Senior Management** means the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer .

2.6. **“Remuneration”** means money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

3. ROLE OF COMMITTEE

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

The Committee’s Role shall be:-

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



independent directors, on the basis of the report of performance evaluation of independent directors

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

3.2. Policy for appointment and removal of Directors, KMPs and Senior Management Personnel

3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the persons for appointment as Director, KMP or at Senior Management level in line with the Business of the Company, the Industry Structure which the Company operates in and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment to ensure that he/she is able to discharge his duties in a diligent manner. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director, who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years. Further, the Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
- d) A person shall be eligible for appointment as Managing Director of the company if he has worked as whole time director or manager for at least 3 years in a public limited company.
- e) The Chief Financial Officer of the Company shall necessarily be a member of Institute of Chartered Accountants of India. The Company Secretary of the Company shall necessarily be a member of Institute of Company Secretaries of India. For any other position in the Senior Management, where a specific



educational qualification is desirable to discharge the functions and duties attached to that particular position, the person shall necessarily be holding that qualification. The Committee will be authorized to define the criteria and remuneration range for KMPs and Senior Management persons and to authorize the Managing Director of the Company to make appointments as per the said criteria. Such appointments made by the Managing Director of the Company will be reviewed by the Nomination and Remuneration Committee in its next meeting.

- f) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. Such Skills/expertise/competence for all members of the Board including independent directors are given in para 3.2.3 of this policy. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
- (i) use the services of an external agencies, if required;
 - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) consider the time commitments of the candidates.

3.2.2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Directors:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either



directly or indirectly..

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act and Listing Regulations.

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

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

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

- a. Criteria for evaluation of the Board of Directors as a whole:**
 - i. The Frequency of Meetings
 - ii. Quantum of Agenda
 - iii. Administration of Meetings
 - iv. Flow and quantity of Information from the Management to the Board
 - v. Number of Committees and their role.
 - vi. Overall performance of the Company

- b. Criteria for evaluation of the Board Committees**
 - i. The Frequency of Meetings
 - ii. Quantum of Agenda
 - iii. Administration of Meetings



- iv. Flow and quantity of Information from the Management to the Committee
- v. Role of Committees.
- vi. Contribution to the decision making process of the Board.

c. Criteria for evaluation of the Individual Directors including Independent Directors;

- i. Experience and ability to contribute to the decision making process
- ii. Problem solving approach and guidance to the Management
- iii. Attendance and Participation in the Meetings
- iv. Personal competencies as per Chart given under para 3.2.3 above and contribution to strategy formulation
- v. Contribution towards statutory compliances, monitoring of controls and Corporate Governance
- vi. The evaluation of independent directors shall be done by the entire board of directors which shall include –
 - (a) Performance of the directors; and
 - (b) fulfillment of the independence criteria as specified in the Companies Act, 2013 and Listing Regulations and their independence from the management:

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

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

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

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

3.2.5. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder or due to other valid reasons as recorded in writing by the Committee, the Committee may recommend to the Board, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.



3.2.6. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Whole-time Directors, KMPs and Senior Management Personnel

3.3.1. General:

- (a)** The remuneration / compensation / commission etc. to the Whole-time Directors, KMPs and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required under the applicable law.
- (b)** The remuneration to be paid to the Whole-time Directors shall be in accordance with the percentage / slabs / conditions laid down in the Resolution appointing them or in the Articles of Association of the Company and as per the provisions of the Act.
- (c)** Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Directors. Further, the increments shall be allowed not only on the basis of performance of the Company but shall also include various factors like individual performance vis a vis individual responsibilities, diligence in achievement of Key Responsibility Areas (KRAs), Industry trends, economic situation, future growth prospects of the Company etc.
- (d)** Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2. Remuneration to Whole-time Directors/ Executive / Managing Director, KMP and Senior Management Personnel:-

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

- i.** The Remuneration/ Commission etc. to be paid to Executive/ Managing Director / Whole-time Directors, etc. shall be governed as per provisions of



the Companies Act, 2013, Rules made thereunder, provisions of Listing Regulations, as amended from time to time or any other enactment for the time being in force and as per the approvals obtained from the Members of the Company.

- ii. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Executive/Managing Director / Whole-time Directors.
 - iii. The Committee may also recommend/approve a range of remuneration within which the remuneration may be paid to the Executive/ Managing Director / Whole-time Directors.
 - iv. **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Act.
 - v. **Provisions for excess remuneration:** If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, he / she shall refund such sums to the Company within two years or such lesser period as may be allowed by the company and until such sum is refunded, shall hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the company by special resolution within two years from the date the sum becomes refundable.
- b. Remuneration to Non- Executive / Independent Directors:**
- i. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or in any other manner as decided by the Board of Directors.
 - ii. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
 - iii. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
 - iv. In case the Company decides to offer any Employee Stock Option/ Purchase Schemes in future, the Committee shall determine the stock



options and other share based payments to be made to the eligible Directors (other than Independent Directors).

- c. Any remuneration paid to Directors of the Company for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (a) and (b) above if the following conditions are satisfied:-
- i. The Services are rendered by such Director in his capacity as professional; and
 - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

d. Remuneration to key managerial personnel and senior management:-

- i. The remuneration to Key Managerial Personnel and Senior Management Personnel shall be in compliance with the applicable provisions of the Companies Act, 2013 and in accordance with the Company's Policy and shall be reviewed by the Committee from time to time.
- ii. The Committee may also recommend a range of remuneration within which the remuneration may be paid to the Key Managerial Personnel and Senior Management Personnel.
- iii. In case the Company decides to offer any Employee Stock Option/ Purchase Schemes in future, the Nomination and Remuneration Committee of the Company, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- iv. The Fixed pay shall include monthly remuneration, monthly allowances, employer's contribution to Provident Fund, ESI, contribution to pension fund, pension schemes, etc. as decided by the Company from to time.
- v. The Incentive pay shall be in the form of Performance Bonus and Monthly/Yearly Incentive and shall be decided based upon the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

4. POLICY ON BOARD DIVERSITY:

The Board shall comprise of Directors having expertise in different areas / fields like Finance, Accounts, Business Development, Sales and Marketing, Banking, Regulatory Framework, Human Resource management, etc. or other areas as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The Board shall have at least one Board member who has accounting or related financial management expertise and at least one women director.



5. MEMBERSHIP OF COMMITTEE

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

6. CHAIRPERSON

- 6.1 Chairperson of the Committee shall be an Independent Director.
- 6.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 6.3 In the absence of the Chairperson of the Committee, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 6.4 Chairman of the Nomination and Remuneration Committee meeting would be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

7. FREQUENCY OF MEETINGS

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

8. COMMITTEE MEMBERS' INTERESTS

- 8.1 The disclosure of Interest and participation in the meetings by a member of the Committee shall be as per the provisions of the Act and Rules made thereunder from time to time.
- 8.2 The Committee may invite such executives, professionals, consultants or experts as it considers appropriate, to be present at the meetings of the Committee.



9. SECRETARY

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

10. VOTING

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

11. MINUTES OF COMMITTEE MEETING

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

(Sd/-)
Chairman
11.04.2023

For & On Behalf of the Board

Sd/-
(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)

For & On Behalf of the Board

Sd/-
(RITESH VAID)
WHOLE TIME DIRECTOR
(DIN 09433856)

PLACE: CHANDIGARH
Date: August 13, 2024



ANNEXURE D-2 TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

To,

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

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PAUL MERCHANTS LIMITED ("the Company") for the financial year ended on March 31, 2024, according to the provisions of:

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



- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereof;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021; Not applicable to the company during the financial year under review.
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the financial year.
 - f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Employees Compensation Act, 1923, Payment of Gratuity Act, 1972, etc.

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

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

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

Based on our examination and the information received and records maintained, I further report that:



1. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year, were carried out in compliance with the applicable Act and Regulations.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions are carried through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers, I am of an opinion that:

- a) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- b) Based on the examination of the relevant documents and records on test check basis the company has Complied with the following laws specifically applicable to the company:
 - a) The Reserve Bank of India Act, 1934
 - b) The Finance Act, 2016
 - c) Prevention of Money Laundering Act, 2002 and the Prevention of Money Laundering (Amendment) Act, 2012.

I further report that during the audit period:

1. The company has increased the Authorised Share Capital during the year from Rs. 2,00,00,000/- (Rupees Two Crores Only) divided into 20,00,000 equity shares of Rs. 10/- each to Rs. 10,50,00,000/- (Rupees Ten Crores Fifty lakhs Only) divided into 1,05,00,000 equity shares of Rs. 10/- each.
2. The company has allotted 20,56,000 equity shares of face value of Rs. 10/- to its existing shareholders through bonus issue in the proportion of 2:1 i.e. two bonus shares for every one existing equity share held by the Members of the Company.
3. The company has altered its Memorandum of Association in lines with the provisions of Companies Act, 2013.

I further report that, there were no instances of

- (i) Public / Preferential issue of shares / debentures / sweat equity
- (ii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013



- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Shimla
Date: 22.07.2024

(Sd/-)
ANIL SINGH NEGI
ACS No. 46547
C P No.: 17213
Peer Review Cert No. 2383/2022
UDIN: A046547F000796989



ANNEXURE D-2A

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

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

To,

The Members,
Paul Merchants Finance Private Limited,
Ground Floor, SCO 829-830,
Sector 22-A, Chandigarh – 160022.

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

Based on my verification of the company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PAUL MERCHANTS FINANCE PRIVATE LIMITED (“the Company”) for the financial year ended on March 31, 2024, according to the provisions of:

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



- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, to the extent applicable;
- (v) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, to the extent applicable to the company, being a material subsidiary of a listed company.
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company being an unlisted company:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereof,
 - b) The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
 - e) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021.
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
- (vii) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Employees Compensation Act, 1923, Payment of Gratuity Act, 1972, etc.

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

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

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

Based on our examination and the information received and records maintained, I further report that:



1. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year, were carried out in compliance with the applicable Act and Regulations.
2. Adequate notice is given to all directors for the Board Meetings and agenda along with detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions are carried through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers, I am of an opinion that:

1. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
2. Based on the examination of the relevant documents and records on test check basis the company has Complied with the following laws specifically applicable to the company:
 - a) The Reserve Bank of India Act, 1934
 - b) The Finance Act, 2016
 - c) Prevention of Money Laundering Act, 2002 and the Prevention of Money Laundering (Amendment) Act, 2012.
 - d) Master Directions issued by the Reserve Bank of India as applicable to the Company.

I further report that:

During the audit period, the company, has allotted 77,54,294 Equity Shares of Rs. 10/- each at premium of Rs. 54/- per share to its existing shareholders under Rights Issue. Further, during the period under review the Company has allotted 70,900 Secured, Unlisted, redeemable, Non-Convertible Debentures of Rs. 1,000/- each on private placement basis.



I further report that, there were no instances of

- (i) Public / Preferential issue of shares / sweat equity
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Shimla

Date: 07-08-2024

Sd/-

ANIL SINGH NEGI

ACS No. 46547

C P No.: 17213

Peer Review Cert No. 2383/2022

UDIN: A046547F000920728

**ANNEXURE D-3 TO THE DIRECTORS' REPORT****MANAGEMENT DISCUSSION & ANALYSIS REPORT****PART (1)****(a) INDUSTRY STRUCTURE AND DEVELOPMENTS****Foreign Exchange**

The foreign exchange market is the largest and most liquid financial market in the global economy, with exchange volumes surpassing \$6 trillion per day. Moreover, the forex market enables international trade and investment by allowing industries to change one currency into another. The forex market works 24 hours a day, 5 days a week, with exchange taking place in main financial centers around the globe. The market is obsessed with numerous factors, including economic data, geopolitical events, and central bank policies. The exchange rate, which is the value of one currency compared to another, is fixed by supply and demand forces in the market. Furthermore, Banks, forex dealers, commercial companies, central banks, investment management firms, hedge funds, retail forex dealers, and investors create foreign exchange markets.

The foreign exchange market size has grown strongly in recent years. It is likely to grow from \$752.66 billion in 2023 to \$795.91 billion in 2024 at a compound annual growth rate (CAGR) of 5.7%. The market size is further expected to grow to \$1023.91 billion in 2028 at a compound annual growth rate (CAGR) of 6.5%. The expansion observed in the historical period can be ascribed to factors such as globalization and international trade, variations in interest rates, government policies and monetary interventions, speculation, and investment flows, as well as the balance of payments and economic indicators. The anticipated growth in the future can be linked to political and geopolitical developments, fluctuations in commodity prices and resource exports, recovery from the pandemic and changes in risk appetite, inflationary pressures, and dynamics in emerging markets.



The prevailing trend in the foreign exchange market is the increasing popularity of product innovation. Major companies engaged in the foreign exchange market are placing more and more emphasis on introducing novel foreign exchange platforms. Further, the deregulation of financial markets and the growth of online payment systems are propelling the market.

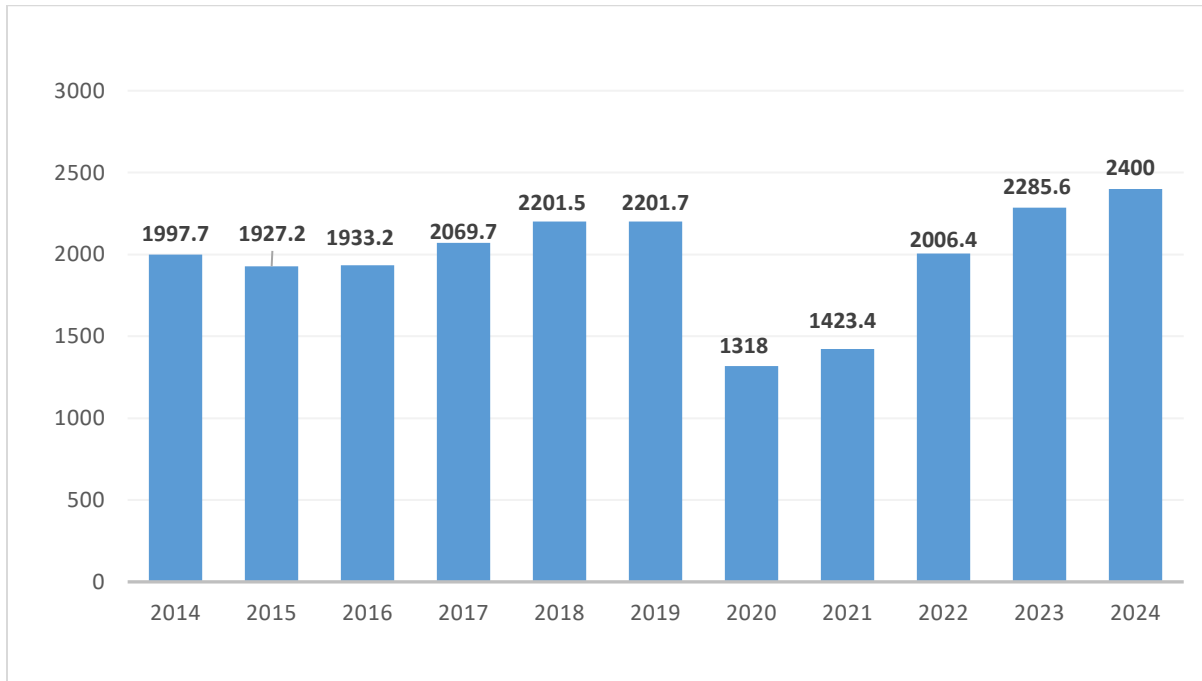
According to the Economic Survey, India's foreign exchange reserves increased by \$68 billion during the 2023-24 fiscal year, marking the highest rise among major foreign exchange reserves-holding countries. The growth signifies a return to near-record levels, last achieved in October 2021. A strong foreign exchange reserves position is crucial for India's vision of becoming a \$5 trillion economy. India's foreign exchange reserves consist of foreign currency assets, gold, special drawing rights (SDRs) and the reserve position with the International Monetary Fund (IMF). As mentioned in the Economic Survey 2023-24, a moderation in India's current account deficit, coupled with capital inflows, contributed to the increase in the country's foreign exchange reserves in FY 2023-24. Despite the US dollar strengthening against almost all major currencies and putting depreciation pressure on the rupee, the Indian currency showed remarkable stability. The rupee exhibited the lowest volatility in FY 2023-24 compared to previous years.

JPMorgan's decision to include Indian bonds in the JP Morgan Government Bond Index – Emerging Market (GBI-EM) from June 28, 2024 is anticipated to generate monthly inflows of approximately \$2 billion over the next nine months till March 31, 2025.

Special Drawing Rights (SDRs), a reserve asset created by the International Monetary Fund (IMF) to supplement its member countries' official reserves, increased by \$76 million. India now owns \$18.111 billion worth of SDRs. This is indicative of a favourable shift in the nation's forex reserves, which strengthens its capacity to handle both internal and external finances.

Tours and Travels

The travel and tourism industry in India is projected to generate revenue of nearly \$24 billion in 2024, according to industry promotions body India Brand Equity Foundation. At an estimated annual growth rate of 9.6% between 2024 and 2028, the industry is also expected to reach a market volume of \$34.25 billion by 2028.



International tourism receipts reached USD 1.4 trillion in 2023 according to preliminary estimates, about 93% of the USD 1.5 trillion earned by destinations in 2019.

Domestic travel and the tourism sector, in recent times, has become the backbone of India's economic growth, especially with the government's focus on promoting India as an equivalent to a global destination. The travel and tourism sector's contribution to Indian GDP stood at INR 19.13 trillion (\$230 billion) in 2023, nearly 10% increase over 2019 levels. Employment in the industry increased 8% to 43 million during this period. Domestic tourist spending was INR 14.64 trillion (\$175 billion) last year, up 15% from pre-Covid levels. Hotels accounted for the largest share of revenue last year. The country has been focusing on boosting tourism, and has announced 100% foreign direct investment in tourism-related ventures in order to facilitate growth of the sector. Efforts are also being made to preserve heritage sites in India while creating quality tourism infrastructure to enhance visitor experience.

India is now the third-largest domestic aviation market, after the U.S. and China. India's domestic air passenger traffic in 2023-24 also surpassed pre-Covid levels.

The road, rail, and air transportation infrastructure is also being improved. New highways, indigenous superfast trains, and regional airports are being concurrently developed across the country to make travel more convenient and inland destinations more accessible.



International Money Transfer

India is the largest recipient of remittances. India received USD 120 billion in remittances in 2023 with growth at 7.5% and as such, topped in remittances inflow list, followed by Mexico (USD 66 billion), China (USD 50 billion), the Philippines (USD 39 billion), and Pakistan (USD 27 billion). In 2023, there were approximately 302.1 million international migrants globally, according to World Bank data, who send remittances to their families back home. Around 36% of total remittance flows to India are sent by high-skilled Indian migrants residing in 3 high-income countries like the United States, the United Kingdom, and Singapore. The post-pandemic recovery led to a tight labour market in these regions, resulting in wage hikes that boosted remittances. Among the other high-income destinations for Indian migrants, such as the Gulf Cooperation Council (GCC) countries, UAE accounted for 18% of India's remittance flows, while Saudi Arabia, Kuwait, Oman, and Qatar collectively accounted for 11%.

The government's initiatives such as the Unified Payments Interface (UPI-Pay Now) linkage for cross-border remittances between India and Singapore, launched in February 2023, is being extended to other countries to reduce transactions costs and facilitate higher remittance flows through formal channels to India.

Malaysia and Singapore account for the five least expensive corridors in 2023, while the cost of transactions from Japan, South Africa and Thailand to India was the highest.

(b) OPPORTUNITIES & THREATS

Opportunities:-

The financial landscape is increasingly being influenced by environmental concerns. Forex markets are no exception, as climate change considerations impact currency values. Countries with a strong commitment to sustainable practices and green initiatives may see their currencies strengthen, reflecting a growing trend toward responsible investing. Technological innovations are reshaping forex dealing, with artificial intelligence and block chain technology at the forefront. These advancements empower dealers with predictive analytics and real-time data, revolutionizing decision-making processes.

Despite Asia and the Pacific only reaching 62% of pre-pandemic levels, it is anticipated that 2025 will mark a turning point in the industry's recovery. Post Pandemic, the world has seen shift in the customer behavior from Savers to Spenders and this changed mindset will continue to have a cascading impact on in future in all three business verticals of the Company i.e. Forex, Tours and Travels and International Money Transfer.



Threats:-

Geopolitical tensions have become the single most important risk confronting the global economy. Wars are now raging in two regions critical to the world's food and energy supply- Eastern Europe and the Middle East. An escalation of the conflict in the Middle East could push energy markets into uncharted territory given that the region accounts for the nearly 30% of global oil production. Recent attacks in the Red Sea have already disrupted shipping through the Suez Canal, which accounts for 30% of global container traffic.

Geopolitical tensions heighten uncertainty, which hurts investment and economic growth. Conflicts and wars also tend to reduce global supply capacity-with potentially inflationary effects.

At 4.5%, Chinese growth this year would be the slowest since 1990, outside of the COVID-19 era. That will likely hurt the large number of advances and developing economies that depend on trade with China.

During the peak domestic travel period in summer, a record number of travelers left due to the heatwave in North India. The extreme weather condition also led to a nearly 40% decline in sale of inbound flights in May from April 2024, a trend which may be witnessed in future too.

These risk factors may adversely impact all three business verticals of the Company i.e. Forex, Tours and Travels and International Money Transfer.

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

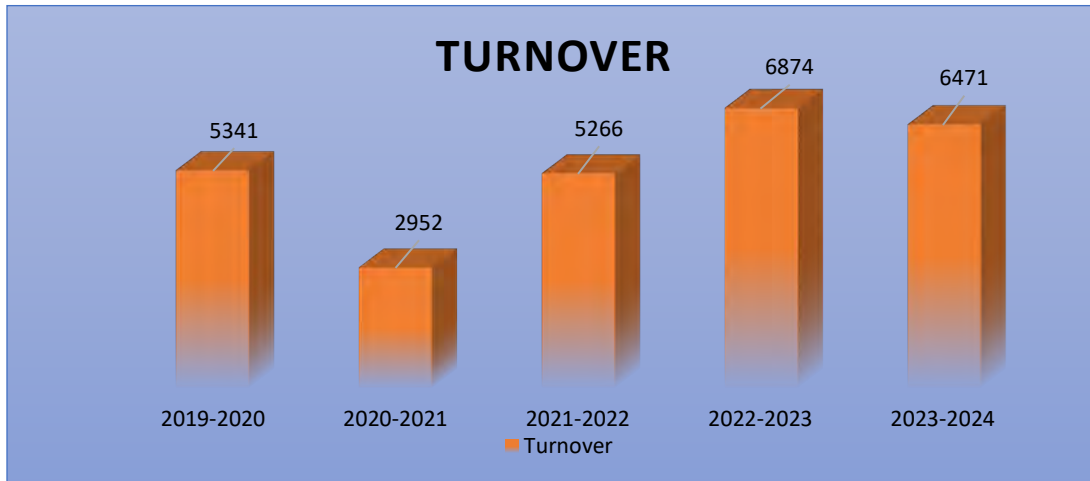
FOREX DIVISION

The total turnover from this division decreased to ₹ 6471 Crores as compared to previous year figures of ₹ 6874 crores, registering a de-growth of 5.86%. Due to sudden dip in the students going overseas for education purposes due to the tightening of norms in Canada & UK from January 2024 onwards, the sale and purchase of foreign exchange has decreased significantly in the last Quarter of FY 2023-24, impacting the overall volume of Turnover from Forex.



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

Figures in INR Crores



Among the various products in Forex, the Telegraphic Transfer business has always been one of the major contributor for the Company towards the overall Forex Sales. This year too, it has been one of the major contributing product with 85.73% share in the total sales made by the Company. Currency business contributed to the overall Forex sales with a 14.27% share.

Non AD II Business

The Company has been able to register an income of ₹ 7.54 crores as against the previous year's figures of ₹ 5.38 crores during the year under review, registering thereby a growth of 42% over last year.

Non ADII Profit (Figures in INR Crores)





TRAVEL DIVISION

In this segment, Gross Turnover from Hotel Bookings and Packages stood at ₹ 335.86 Lakhs for the year under review as against the previous year figure of ₹ 408.01 lakhs, registering a decrease of 17.68%. The revenue from hotel bookings stood at Rs. 27.64 Lakhs for the year under review as against the previous year figure of Rs. 22.45 Lakhs.

Revenue from Air Ticketing stood at ₹ 151.21 Lakhs for the year under review as against the previous year figure of ₹ 157.89 lakhs, registering decrease of 4.23%. This decline is primarily attributed to the sudden dip in the students going overseas for education purposes due to the tightening of norms in Canada & UK from January 2024 onwards.

The Company also offers other services which are allied to the Tours and Travel activities like Visa and other products. These are the services, which are invariably required by the customer who comes to the Company Outlets for his Travel Needs. Revenue from Visa, Bus Bookings and Railway Booking services stood at ₹ 13.83 Lakh for the year under review as against the previous year figure of ₹ 13.93 Lakhs, registering a decrease of 0.71%.

INTERNATIONAL MONEY TRANSFER DIVISION (MTSS BUSINESS)

The Company has been offering International Inward Money Transfer services as a Sub Agent of Ebix Money Express Services (P) Ltd., as per the regulations issued by Reserve Bank of India and is offering the services of Western Union, RIA Money Transfer & Transfast and also working as sub agent of Delphi World Money Ltd. for offering services of Money gram. During the year under review, the Company achieved Revenue from this segment at ₹ 28.35 Lakhs as against the previous year figure of ₹ 35.28 Lakhs, registering a decline of 19.64%.

Further, the Company achieved Revenue from Domestic Money Transfer at ₹ 9.70 Lakhs as against the previous year figure of ₹ 12.77 Lakhs, registering a decrease of 24.04%. For offering these services, the Company acts as a Distributor of its Wholly Owned Subsidiary Paul Merchants Finance (Pvt) Ltd.

(d) OUTLOOK

Over the past decade, India's forex reserves have doubled, reflecting strong economic fundamentals and resilience. Looking ahead, several factors suggest that India's economic outlook is robust and the country is poised for significant growth. As per reports, starting from FY 2024-25, capital account inflows, including Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI) in equities and debt, are expected to exceed \$100 billion annually. This is likely to boost the corporate capital expenditure (CAPEX) cycle and strengthen dollar reserves. This, in turn, can potentially drive India's forex reserves to \$1



trillion by FY 2028-29. A strong forex reserve position will boost the rupee's stability and provide a buffer against external economic shocks. This stability is crucial for maintaining investor confidence and ensuring that the Indian market remains attractive for foreign investments.

According to the World Travel and Tourism Council (WTTC) report, the tourism industry in India is projected to be ahead of 2019 by the end of this year across four metrics: Contribution to Indian economy, Employment, Domestic visitor spending, and International visitor spending. The sector will contribute almost INR 21.15 trillion (\$253 billion) to India's GDP in 2024. Jobs in the industry are expected to increase by 2.45 million in the coming year, equaling one in 11 jobs in India. International visitor spending is expected to grow more than 17%. Domestic visitor spending is expected to increase by nearly 10%.

The Travel industry is set to make a full recovery by the end of 2024, after losing 75 percent of its value in 2020. Much of this has been so-called "revenge travel," or people embarking on international or bucket list trips that were delayed by the pandemic. The boost in international travel, will not only leave positive impact on the Travel Vertical of the Company but also on the Forex Vertical. Further, the value of Cross border remittances worldwide are expected to reach USD 913 billion by 2025, which will throw immense potential for the International Money Transfer Vertical of the Company in times to come.

(e) RISKS AND CONCERNS

- **Market Volatility:** Forex markets are known for their high volatility, which can result in significant fluctuations in currency values. Events such as political instability, economic crises, or unexpected global events can lead to rapid and unpredictable market movements.
- **Leverage Risks:** While leverage can amplify gains in Forex, it also increases the potential for substantial losses, making it a double-edged sword. Dealers must exercise caution and employ risk management strategies to mitigate these risks.
- **Regulatory Changes:** The regulatory landscape for Forex dealing is continually evolving. Changes in Regulatory matrix applicable to the Forex transactions can impact the overall market environment, necessitating constant vigilance.

Further, the travel vertical of the Company faces the following risks:-

- Economic uncertainty
- Sustainable travel
- Climate change
- Gaps in technological skills
- Consumer financial anxiety
- Geopolitical situation across the globe



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

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

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

The Board of Directors of the Company has assessed the effectiveness of the Company's internal controls over financial reporting to their satisfaction as of March 31, 2024. The



statutory auditors of the Company have audited the financial statements included in this annual report and have issued a report on Company's internal controls over financial reporting (as defined in section 143 of Companies Act 2013). Based on its evaluation (as defined in section 177 of Companies Act 2013 and Regulation 18 of Listing Regulations), Audit Committee of the Board has concluded that as of March 31, 2024, internal financial controls in the Company were adequate and operating effectively.

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

Sr. No	Particulars	Year Ended		Year Ended		Rs. In lakhs
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	
		Standalone		Consolidated		
1	Revenue from operations					
	Sales	6,48,291.15	6,88,724.32	6,64,563.23	6,99,779.17	
	Other operating income	1,893.22	1,261.87	2,094.41	1,321.11	
	Total (1)	6,50,184.37	6,89,986.19	6,66,657.64	7,01,100.28	
2	Expenses					
	a. Cost of materials consumed					
	b. Purchase of stock in trade	6,35,758.96	6,76,288.18	6,35,758.96	6,76,913.11	
	c. Changes in inventories of finished goods, stock-in-trade and work-in progress	-255.13	-81.19	-255.13	-650.17	
	d. Employee benefits expense	2,338.99	1,909.36	5,735.77	4,301.16	
	e. Other expenses	11,204.09	10,281.03	13,846.24	12,334.94	
	Total (2)	6,49,046.91	6,88,397.38	6,55,085.84	6,92,899.04	
3	Operating profit (EBITDA excluding other income (1-2))	1,137.46	1,588.81	11,571.80	8,201.24	
4	Other Income	2,819.76	2,183.12	603.70	180.26	
5	Less: Finance costs	171.49	104.17	4,260.45	2,017.53	
6	Less: Depreciation & amortization expenses	271.97	171.87	604.38	393.22	
7	Profit before share of profit/ (loss) in Subsidiaries/associates / joint venture, exceptional items & tax	3,513.77	3,495.88	7,310.67	5,970.75	
8	Share of profit/ (loss) in Subsidiaries/associates / joint venture, exceptional items & tax	Nil	Nil	Nil	1.44	
9	Exceptional items	Nil	Nil	30.5	8.54	



10	Profit before tax	3,513.77	3,495.88	7,280.17	5,963.65
11	Less: Provision for tax				
	Current tax	873.32	858.05	1,870.27	1,513.27
	Prior Period Tax	0.54	76.87	-21.99	75.6
	Deferred tax	27.43	-37.44	-30.67	-26.39
	Total	901.29	897.48	1817.61	1562.48
12	Profit after tax	2,612.48	2,598.40	5,462.56	4,401.17
13	Total Comprehensive Income	2,591.62	2,580.64	5,443.57	4,387.44
14	Balance of Reserves & Surplus brought forward	44,931.97	42,351.33	50,973.78	46,586.34
15	Reserves and Surplus at the end of the year	47,317.99	44,931.97	56,211.75	50,973.78

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

In embracing the philosophy that personnel management serves as the foundation for effective human resources management, the Company has embedded its core values deeply within its corporate culture, fostering an environment that champions innovation, creativity, and diversity. By aligning individual employee goals with the overarching business objectives, the Company empowers its workforce to achieve personal and professional milestones concurrently, nurturing holistic growth. At the heart of decision-making processes, the Company places a high premium on the contributions of its employees, recognizing them as invaluable assets instrumental in driving the organization forward. In keeping pace with the Company's trajectory of growth and expansion, employees are not just observers but active participants in the journey, with capacity building viewed as an ongoing, multi-faceted endeavor rather than a one-time event. Emphasizing the continuous upskilling and development of skills across all domains forms a cornerstone of the Company's human resource development policy, reflecting its enduring commitment to fostering a skilled, engaged, and forward-thinking workforce.

During the year under review, the induction & orientation system in the Company underwent revamping, Health Awareness Sessions and Team Building sessions were conducted regularly and Employee Surveys were conducted to understand various concerns of employees with a view to take requisite corrective steps.

As on 31st March, 2024, 402 number of people are employed in the Company.



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

Sr. No.	Ratio	Numerator/ Denominator	2022-23	2023-24	Change	EXPLANATION FOR CHANGE
A	Debtors Turnover	Credit Sale/Average Trade receivable	5.40	5.43	0.55%	Due to Increase in Credit sales as compared to previous year.
B	Inventory Turnover	Cost of goods sold/average inventory	157.76	82.92	-47.44%	This is mainly because Purchases reduced as compared to previous year.
C	Interest Coverage Ratio	PBT/Interest	53.516	26.603	-50.29%	Interest cost increased due to increased usage of credit limits
D	Current Ratio	Current Assets/ Current Liability	4.09	4.29	4.66%	Current liabilities decreased compared to last year mainly due to decrease in advance from customers and borrowings at the year end
E	Debt Equity Ratio	Debt/Total Equity	0.0433	0.0282	-34.95%	Borrowings decreased at the year end
F	Operating Profit Margin (%)	Operating Profit/Total Operating Revenue	0.19%	0.11%	-42.11%	The decrease is due to decrease in revenue from operations as compared to previous year
G	Net Profit Margin (%)	PBT/ Total Income	0.51%	0.54%	5.88%	Due to Increase in Other income
H	Any sector-specific equivalent ratios, as applicable	Nil	-	-	-	There is no such sector-specific equivalent ratio

Note: for the purpose of calculating the %age change, actual figures upto 12 decimal figures have been taken into account.



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

Ratio	2022-23	2023-24	Change	EXPLANATION FOR CHANGE
Return On Net Worth	5.77%	5.49%	-4.85%	Increase in Net Profit is not significant leading to decline in return on net worth

PART 2

DISCLOSURE OF ACCOUNTING TREATMENT -

The accompanying Financial Statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and defined contribution plans which have been measured at actuarial valuation as required by relevant Ind AS, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include change in Statutory Regulations, overall Forex Markets, downward trend in migration, rise in operational costs, exchange rate fluctuations and significant changes in political, social and economic environment, tax laws, litigation and labour relations.

For & On Behalf of the Board

**Sd/-
(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)**

For & On Behalf of the Board

**Sd/-
(RITESH VAID)
WHOLE TIME DIRECTOR
(DIN 09433856)**

PLACE: CHANDIGARH
Date: August 13, 2024



ANNEXURE D-4 TO THE DIRECTORS' REPORT

<u>Details of Loans</u>			
Sr. No.	Name of Entity/Person	Amount (in Rs.)	Purpose
1	Paul Merchants Finance (P) Ltd., Wholly Owned Subsidiary	-47.48 crores *	Net Working Capital reduced during the Financial year 2023-24 on account of repayment received from Paul Merchants Finance (P) Ltd
* Total Balance outstanding as on 31-03-2024 is Rs 1,89,90,61,580/- as against the previous year's outstanding balance of Rs 2,37,38,61,580/-			
<u>Details of Guarantees and Securities</u>			
Sr. No.	Name of Entity/Person	Amount	Purpose
1	State bank of India	Rs 40 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
2	Tata Capital	Rs.12 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
3	Catholic Syrian Bank	Rs. 15 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
4	Indian Overseas Bank	Rs. 20 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
5	Bajaj Finance Limited	Rs. 10 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited



6	Capital Small Finance Bank	Rs. 8 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
7	Federal Bank Limited	Rs. 20 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
8	RBL Bank Limited	Rs. 15 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
9	RBL Bank Limited	Rs. 0.75 Crores	Fixed Deposits for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
10	Union bank of India	Rs. 30 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
11	HDFC Bank Limited	Rs. 101 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
12	HDFC Bank Limited	Rs. 10 Crores	Fixed Deposits for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited
13	IDBI Bank	Rs. 15 Crores	Corporate Guarantee for securing borrowing facility availed by Wholly Owned Subsidiary Paul Merchants Finance Private Limited



Details of Investments

Sr. No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	Paul Infotech Private Limited. 49,999 Equity Shares of Face value of Rs 10/- each subscribed in its own name and 1 Equity share subscribed in the name of its Nominee Mr. Rajneesh Bansal, who holds that share on behalf of the Company	25,00,000	Subscription to the Equity share capital. The said amount will be utilized by the Company in its Principal business activities
2	Paul Merchants Finance Private Limited. 77,54,294 Equity Shares of the Face Value of Rs 10/- each subscribed @ Rs. 64/- each on Right basis	49,62,74,816	Subscription to the right issue of Equity share capital. The said amount will be utilized by the Company in its principal business activities.
GRAND TOTAL OF INVESTMENTS		49,87,74,816	

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

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

For & On Behalf of the Board

Sd/-
(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)

For & On Behalf of the Board

Sd/-
(RITESH VAID)
WHOLE TIME DIRECTOR
(DIN 09433856)

PLACE: CHANDIGARH

Date: August 13, 2024



ANNEXURE D-5 TO THE DIRECTORS' REPORT

FORM NO. AOC-2

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

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

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

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

RENT PAID TO DIRECTORS

Name(s) of the related party and nature of relationship	Rajneesh Bansal - Managing Director (DIN 00077230)	Amount for the FY 23-24 (Rs.)
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.	6,47,688
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 Company	
Justification for entering into such contracts or arrangements or transactions	The Company is using the Shops for its office purpose and paying the rent as per market rate. As such, this Transaction is justified and is in the interests of the Company.	
Date(s) of approval by the Board, if any	11.12.2007 & 12.02.2013	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis	
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not Required	

Name(s) of the related party and nature of relationship	Rajneesh Bansal - Managing Director (DIN 00077230)	Amount for the FY 23-24 (Rs.)



Nature of contracts/arrangements/transactions	Rent Agreement in respect of Shop No. 1A, Ground Floor, Mcleodganj, Dharamshala, owned by him.	11,99,412
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 Company.	
Justification for entering into such contracts or arrangements or transactions	The Company is using the Shop for its office purpose and paying the rent as per market rate. As such, this Transaction is justified and is in the interests of the Company.	
Date(s) of approval by the Board, if any	11.12.2007 & 07.02.2014	
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not required.	

RENT RECEIVED FROM WHOLLY OWNED SUBSIDIARY COMPANY

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	Amount for the FY 23-24 (Rs.)
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion measuring 600 Sq.ft. approx. at Ground Floor of Company owned showroom SCO 829-830, Sector 22-A, Chandigarh, on rent to PMFPL. W.e.f. 24/05/2023, the lease had been shifted to SCO 827-828, Sector 22A, Chandigarh on account of renovation work in SCO 829-830. W.e.f. 16/11/2023, the area under lease had been increased to 1200 Sq. Ft. The said lease had been shifted back to SCO 829-830 w.e.f. 14/05/2024.	15,15,987
Duration of the contracts/ arrangements/transactions	The arrangement is running since 15-09-2012. The Rent Agreement tenure in respect of SCO 829-830, Sector 22-A, Chandigarh was from 01.06.2022 till 31.05.2025. Later, the rent agreement in respect of SCO 827-828, Sector 22A, Chandigarh got executed and its tenure was from 24.05.2023 till 24.04.2024.	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 91878/- per month from 01.04.2023 to 15.11.2023 and Rs. 183756/- per month w.e.f. 16.11.2023 till 15.10.2024	
Annual Increase	7%	
Local Levies	Local levies, Server expenses and utility bills included in rent. (GST payable by the Lessee)	
Justification for entering into such contracts or arrangements or transactions	The Company has let out this portion for use of the same by its Wholly Owned Subsidiary Company for its office purpose and is receiving the rent as per market rate. As such, this Transaction is justified and is in the interests of the Company.	
Date(s) of approval by the Board, if any	17.08.2012 & 14.05.2019, 23.05.2023, 09.11.2023	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	



Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not required.
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Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company	Amount for the FY 23-24 (Rs.)
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion measuring 2500 Sq. Ft. approx. at Ground Floor of Company owned Godown, Hadbast No. 234, At Vakia mauja Pabhat, Tehsil Derabassi, S.A.S. Nagar, Mohali on rent	6,00,000
Duration of the contracts/ arrangements/transactions	The arrangement has come into effect w.e.f. 10-02-2023 and the Current term is from 10/02/2023 to 09/02/2026	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 50,000/- (exclusive of GST) per month from 10.02.2023 to 09.02.2024 and 54000/- (exclusive of GST) per month from 10.02.2024 to 31.03.2024. The arrear of Rs. 6758/- for the months of February and March, 2024 has been paid by the Company in the month of April.	
Annual Increase	8%	
Local Levies	Local levies and utility bills payable by the Lessor. GST payable by the Lessee.	
Justification for entering into such contracts or arrangements or transactions	Paul Merchants Finance Private Limited is a Wholly Owned Subsidiary of the Company and is using 2500 sq. ft. area on the ground Floor of Company's Godown located at village Pabhat, Zirakpur, Punjab and is paying rent as per market rates. As such, this Transaction is justified and is in the interests of the Company	
Date(s) of approval by the Board, if any	09.02.2023	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not required.	

Name(s) of the related party and nature of relationship	PML Realtors (Pvt.) Ltd. – A Wholly Owned Subsidiary Company	Amount for the FY 23-24 (Rs.)
Nature of contracts/arrangements/ transactions	Rent Agreement for giving a portion measuring 110 Sq. Ft. at 2 nd Floor of Company owned showroom SCO 827-828, Sector 22-A, Chandigarh on rent.	1,81,442
Duration of the contracts/ arrangements/transactions	From 18/12/2017 onwards until terminated by either party	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 14,946/- per month from 01.04.2023 to 07.02.2024 and Rs. 16,140/- per month w.e.f. 08.02.2023 till 31.03.2023 (inclusive of GST).	
Annual Increase	8%	
Local Levies	Payable by the Lessor.	
Justification for entering into such contracts or arrangements or transactions	The Company has let out this portion for use of the same by its Wholly Owned Subsidiary Company for its office purpose and is receiving the rent as per market rate. As such, this Transaction is justified and is in the interests of the Company.	



Date(s) of approval by the Board, if any	14.11.2017 & 07.02.2019	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not required.	

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

Name(s) of the related party and nature of relationship	Paul E-Commerce (P) Ltd., a Company in which relatives of Directors are holding Directorship and Shareholding	Amount for the FY 23-24 (Rs.)
Nature of contracts/arrangements/ transactions	Rent Agreement for giving Half portion of Basement of Company owned building C-21, Pamposh Enclave, New Delhi on rent	3,88,501
Duration of the contracts/ arrangements/transactions	The arrangement is running since 01-10-2017 and the current term is from 01-10-2021 to 30-09-2024	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate of Rent	Rs. 31,130/- per month from 01.04.2023 to 30.09.2023 and Rs. 33,620/- per month w.e.f. 01.10.2023 till 31.03.2024. GST is in addition to this rate of rent is payable by the Lessee.	
Annual Increase	8%	
Local Levies	All local levies & Taxes are payable by the Lessor.	
Justification for entering into such contracts or arrangements or transactions	The Company has let out this portion for use of the same by the Lessee Company for its office purpose and is receiving the rent as per market rate. As such, this Transaction is justified and is in the interests of the Company.	
Date(s) of approval by the Board, if any	21.09.2017	
Amount paid as advances, if any:	Rent is received in advance on monthly basis.	
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not required.	

REVENUE RECEIVED FROM WHOLLY OWNED SUBSIDIARY COMPANY

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL)- Wholly Owned Subsidiary Company	Amount for the FY 23-24 (Rs.)
Nature of contracts/arrangements/ transactions	Revenue earned on Domestic Money Transfer (DMT) Services	5,09,989
Duration of the contracts/ arrangements/transactions	Agreement dated 16.11.2015 as Amended on 10.02.2017 and 11.08.2022 vide which the Company is acting as an Agent of PMFPL for offering DMT Services. The said Agreement was initially valid for One year and has been extended thereafter for successive terms of One year each	
Salient terms of the contracts or arrangements or transactions including the value, if any:		



Revenue Sharing	On every Transaction of DMT processed by the Company, the entitlement of the company is as given below:-	
	Transaction Amount (Rs)	Amount to be Collected by PML from Customers (including GST)
	Up to 1000	Rs. 12 per Txn
	1000 to 2000	1.20% of Txn amount
	2000 & above	1.20% of Txn Amount
		Entitlement of PML (including GST)
		Rs.6 per Txn
		1.20% of Txn amount minus Rs. 8 per Txn
		0.89% of Txn Amount
	Accordingly, a sum of Rs. 5,09,989/- has been earned by the Company as revenue under this Model. Applicable GST on the income received by the respective parties is borne by themselves.	
Annual Increase	NA	
Justification for entering into such contracts or arrangements or transactions	The Company is acting as an Agent of Paul Merchants Finance (Pvt.) Ltd. for offering DMT Services and is receiving the share in gross commission, which is adding up to its revenues. As such, this Transaction is justified and is in the interests of the Company.	
Date(s) of approval by the Board, if any	Agreement was approved on 09.11.2015, and then amended on 09.02.2017 and 10.08.2022	
Amount paid as advances, if any:	As mutually agreed from time to time.	
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not required.	

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	Amount for the FY 23-24 (Rs.)
Nature of contracts/arrangements/transactions	Commission received for INDO-NEPAL Money Transfer Services	4,59,686
Duration of the contracts/arrangements/transactions	Agreement dated 16.11.2015, Addendum dated 17.11.2018 and Amendment dated 11.08.2022, vide which the Company is acting as an Agent of PMFPL for offering Indo Nepal Money Transfer Services. The said Agreement was initially valid for One year and has been extended thereafter for successive terms of One year each.	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate	On every Transaction of Indo Nepal Money Transfer processed by the Company, the entitlement of the company is as given below:-	



	Transaction Type	Amount of the Transaction (Rs)	Amount to be Collected by PML from Customers (including GST)	Entitlement of PML (including GST)
	Cash to Cash	Up to INR 5000	150	25.33
		Above INR 5000	199	37.25
	Cash to Account	Up to INR 5000	90	20.30
		Above INR 5000	120	24.56
	A sum of Rs. 4,59,686/- has been received as commission from Paul Merchants Finance (Pvt.) Ltd on this account. Applicable GST on the income received by the respective parties is borne by themselves.			
Annual Increase	N/a			
Justification for entering into such contracts or arrangements or transactions	The Company is acting as an Agent of Paul Merchants Finance (Pvt.) Ltd. for offering Indo Nepal Money Transfer Services and is receiving the share in gross commission, which is adding up to its revenues. As such, this Transaction is justified and is in the interests of the Company.			
Date(s) of approval by the Board, if any	Addendum to the Agreement dated 16.11.2015, had been approved by the Board on 13.11.2018. Amendment Agreement was approved on 10.08.2022			
Amount paid as advances, if any:	As mutually agreed from time to time.			
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not required.			

COMMISSION PAID TO WHOLLY OWNED SUBSIDIARY COMPANY

Name(s) of the related party and nature of relationship	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	Amount for the FY 23-24 (Rs.)
Nature of contracts/arrangements/transactions	Commission paid in respect of referral of Forex related transactions by PMFPL to the Company, as Referral Agent of the Company.	24,29,976
Duration of the contracts/arrangements/ transactions	Perpetual Referral Agreement dated 06.08.2019, which is valid till terminated by any party	
Salient terms of the contracts or arrangements or transactions including the value, if any:		
Rate	Commission @ 70% of the margin earned by the company on every transaction referred to by PMFPL, is shared by the Company to PMFPL	



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

Further reference in this regard can be made to Note no. 41 of the Balance sheet, which is a part of this Annual Report.

For & On Behalf of the Board

**Sd/-
(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)**

For & On Behalf of the Board

**Sd/-
(RITESH VAID)
WHOLE TIME DIRECTOR
(DIN 09433856)**

PLACE: CHANDIGARH
Date: August 13, 2024



ANNEXURE D-6 TO THE DIRECTORS' REPORT:-

A. Conservation of Energy :

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

B. Technology Absorption:-

- (i) Efforts made towards technology absorption:- The Company continues to absorb and upgrade modern technologies in its business operations and back-end support functions like Accounts, Human Resource Management, Marketing, Operations and Compliance functions.
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:- The benefit derived from above steps enable the Company to carry on its operations in an efficient and cost-effective manner which in turn helps the Company offer its services and products in a more competitive manner.
- (iii) There is no imported technology in the Company.
- (iv) No specific or separate expenditure incurred on Research and Development because of the nature of operations of the Company.

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

	2023-24	2022-23
PARTICULARS	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)
Foreign Exchange Outgo		
Towards Travelling Overseas	13.36	1.30



Towards Overseas Tour Packages Business	86.66	199.90
Towards Membership & Subscription Fee (IATA & ASTA)	2.65	1.05
Towards Advertisement & Telecom Expenses	0.14	0.37
Towards Revenue Share for outward Remittances	64.15	337.95
Total	166.96	540.57
Foreign Exchange Receipts		
Tour Packages Business	15.89	25.26
Revenue share from Forex Business	282.07	
Total	297.96	25.26

For & On Behalf of the Board

Sd/-
(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)

For & On Behalf of the Board

Sd/-
(RITESH VAID)
WHOLE TIME DIRECTOR
(DIN 09433856)

PLACE: CHANDIGARH
Date: August 13, 2024

**ANNEXURE D-7 TO THE DIRECTORS' REPORT****ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2023-24****1. A brief outline on CSR policy of the Company****Our CSR Vision**

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

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

OUR CSR MISSION

The mission of our CSR projects are to –

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

PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN

Any activity as provided in the Schedule VII of the Companies Act, 2013 as decided by the CSR Committee and the Board of Directors as per the CSR Policy of the Company. During the year under review, the Company has undertaken CSR activities as per details given under point no. 6.

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

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



2. Composition of CSR Committee:-

(As on 31.03.2024)

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

Composition of CSR Committee:-

(W.e.f. 01.04.2024)

Sr. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sh. Sat Paul Bansal	Non-Executive Non-Independent Director, Chairman	4	4
2.	Sh. Rajneesh Bansal	Managing Director, Member	4	3
3.	Sh. Bhupinder Singh	Non-Executive Independent Director, Member	4	0



**Tenure of Mr. Vigyan Prakash Arora as Independent Director of the Company has expired on 31.03.2024.*

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

- CSR Committee:-
<https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/04/CSR-Committee-1.pdf>
- CSR Policy:
<https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/CSR-Policy.pdf>
- CSR Projects:
<https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2023/06/CSR-Projects-FY-2023-24-2.pdf>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable: -

Not Applicable as the company is not having average CSR obligation of Rs. 10 crores or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years.

5. (a) **Average net profit of the Company as per sub-section (5) of Section 135: -**

Rs. 24,71,85,313/- (Rupees Twenty Four Crores Seventy One Lakhs Eighty Five Thousand Three Hundred and Thirteen Only)

(b) **Two percent of average net profit of the company as per sub-section (5) of section 135:-**

Rs. 49,43,706/- (Rupees Forty Nine Lakhs Forty Three Thousands Seven Hundred and Six Only) which was rounded off to Rs. 49,50,000/- by the Board

(c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: - NIL**

(e) **Amount required to be set-off for the financial year, if any:- Rs. 74,212/-**



(f) Total CSR obligation for the financial year [(b)+(c)-(d)] : Rs. 48,75,788/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

Amount spent on ongoing projects: - Not Applicable

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

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No).	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1.	Expenditure on three Healthcare projects (i) DWAI (Drugs and Wellness for All in Indigence Project, whereby medicines are collected from households and distributed free of cost to poor and needy people (ii) DOST (Doorstep Oral Screening & Testing) Project, whereby people living in the periphery of Chandigarh City are screened against oral cancer and (iii) RAHAT (Rehabilitation at Home and Community Treatment)	Promoting Health Care	Yes	Chandigarh	Chandigarh	12,86,713	No	Through implementing agency "Parivartan", which is a Trust registered under Indian Trust Act, based at Chandigarh	CSR00005929
						86,240	Yes		



	Project, under which treatment and Community Based Rehabilitation (CBR) Services for the abandoned Psychiatric Patients are provided								
2	Running a Multi Utility Vehicle given earlier to Disability Assessment Rehabilitation and Triage Centre, Govt. Hospital, Sector 32, Chandigarh which is used by them ferrying mentally ill out-patients to and from their residents	Promoting Health Care	Yes	Chandigarh	Chandigarh	1,84,437	No	Through implementing agency "Parivartan", which is a Trust registered under Indian Trust Act, based at Chandigarh	CSR00005929
3.	Maintaining the Shelter house (Panah) at GMCH, Sector 32, Chandigarh for patients & their attendants staying there	Promoting Health Care	Yes	Chandigarh	Chandigarh	72,576	Yes	--	--
4.	Running of Training Centre for providing free of cost training in Stitching & Tailoring Activities for needy Women	Promoting employment enhancing vocational skills	Yes	Punjab	Barnala	82,350	Yes	-	-
5.	Scholarship to needy Girl Students of C.L. Aggarwal DAV Model School, Sector 7-B, Chandigarh	Promoting Education	Yes	Chandigarh	Chandigarh	17,00,000	Yes	-	-



6.	Building Auditorium and Class Rooms for Smt. Shanti Devi Memorial Girls Government School, Tapa Mandi	Promoting Education	Yes	Punjab	Tapa Mandi	19,13,125	Yes		
TOTAL						53,25,441			

- b. Amount spent in Administrative Overheads: Rs. 88,183/-
- c. Amount spent on Impact Assessment, if applicable: Not Applicable
- d. Total amount spent for the Financial Year (a+b+c) : Rs. 54,13,624/-
- e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs. 54,13,624	N.A.				

- f. Excess amount for set-off, if any:

SI. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	49,43,706/- The CSR Budget had been rounded off to Rs. 49,50,000/- by the Board of



		Directors in their meeting held on 23.05.2023.
(ii)	Total amount spent for the Financial Year	54,13,624/- + Rs. 74212/- excess carried forward from FY 2022-23
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	5,37,836/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	5,37,836/-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs).	Date of transfer		
1	FY-1							
2	FY-2							



3	FY-3							
---	------	--	--	--	--	--	--	--

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If yes, enter the number of Capital assets created/acquired

Furnish the details relating to such asset (s) so created or acquired through Corporate Social Responsibility amount spend in the financial year:

Sl. No.	Short Particulars of the Property or assets (s) [including complete address and location of the property]	Pin code of the property or assets(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no. house no, Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per subsection (5) of section 135.



Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee).	N/a [Person specified under clause (d) of sub- section (1) of section 380] (Wherever applicable)."
Rajneesh Bansal	Sat Paul Bansal	N/a

Place: CHANDIGARH
Date: 13-08-2024

**Annexure D-8****DECLARATION OF THE MANAGING DIRECTOR**

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copy of the same is uploaded on the website of the Company <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/05/Code-of-Conduct.pdf>. Further certified that the Members of the Board of Directors and Senior Management Personnel have affirmed having complied with the code applicable to them during the year ended March 31, 2024.

**Place: CHANDIGARH
Date: 13-08-2024**

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



ANNEXURE D-9

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

(a) Composition and category of Directors as on 31-03-2024:-

Promoter Directors	3
Non-Promoter Directors	8
Executive Directors	2 (One Managing Director, One Executive Director)



Non- Executive Non Independent Directors	2
Non-Executive Independent Directors	7
Nominee Directors	0
Institution Represented (whether as lender or as equity investor)	Not Applicable

The strength of Board was 11 (Eleven) Directors as on 31st March 2024. The Board consisted of 3 Promoter Directors and 8 non-Promoter Directors. Further, the Board consisted of One Managing Director, One Executive Director, Two non-Executive non-independent Directors and Seven Non-Executive Independent Directors as on 31st March 2024.

Term of Three Independent Directors Mr. Ajay Arora (DIN 00314161), Mr. Vigyan Prakash Arora (DIN 00806647) and Mr. Dilbag Singh Sidhu (DIN 05210193) came to an end on 31.03.2024 and as such, Composition and category of Directors as on 01-04-2024 is as follows:-

Promoter Directors	3
Non-Promoter Directors	5
Executive Directors	2 (One Managing Director, One Executive Director)
Non- Executive Non Independent Directors	2
Non-Executive Independent Directors	4
Nominee Directors	0
Institution Represented (whether as lender or as equity investor)	Not Applicable

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

Apart from the sitting fees and reimbursement of traveling expenses being paid for attending Board / Committee Meetings, wherever applicable, the non-executive independent Directors did not have any material pecuniary relationship or transactions with the Company during the Financial year 2023-24 or even after the close of Financial year up to the date of this report.

The Company has a Non-Executive Chairman, appointed by the Board of Directors and the Shareholders of the Company. The Company duly meets the requirements relating to the composition of Independent and non-Independent Directors and Executive and Non-Executive Directors on the Board of Directors. The Composition of the Board as on 31.03.2024 is given below:-



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

The Composition of the Board w.e.f. 01.04.2024 is given below:-

1	Mr. Rajneesh Bansal	Promoter, Managing Director
2	Mr. Sat Paul Bansal	Promoter, Non- Executive Non Independent Director, Chairman
3	Mrs. Sarita Rani Bansal	Promoter, Non- Executive Non Independent Director
4	Mr. Ritesh Vaid	Designated Whole Time Director
5	Mr. Anoop Kumar Sharma	Non-Executive Independent Director
6	Mr. Bhupinder Singh	Non-Executive Independent Director
7	Mr. Nirmal Chand (Resigned on 14.06.2024)	Non-Executive Independent Director
8	Mr. Inder Sain Negi	Non-Executive Independent Director

There is no nominee director representing any Institution.

(b) The attendance of each Director at Board Meetings during FY 2023-24 and at the Last Annual General Meeting:-

NAME	CATEGORY	Board Meetings attended during the year	Attendance at the AGM held on 29.09.2023
Sat Paul Bansal	Chairman and Non-Executive Director	6	Yes



Rajneesh Bansal	Executive (Managing Director)	6	Yes
Sarita Rani Bansal	Non-Executive Non Independent Director	6	Yes
Vigyan Prakash Arora (Term expired on 31.03.2024)	Non-Executive Independent Director	6	Yes
Dilbag Singh Sidhu (Term expired on 31.03.2024)	Non-Executive Independent Director	6	Yes
Ajay Arora (Term expired on 31.03.2024)	Non-Executive Independent Director	6	Yes
Inder Sain Negi	Non-Executive Independent Director	5	No
Jeewan Lal Negi (Resigned w.e.f 27.12.2023)	Non-Executive Independent Director	3	Yes
Ritesh Vaid	Designated Whole Time Director	6	Yes
Nirmal Chand (Appointed w.e.f. 13.02.2024 and resigned on 14.06.2024)	Non-Executive Independent Director	0	N.A.
Bhupinder Singh (Appointed w.e.f. 13.02.2024)	Non-Executive Independent Director	0	N.A.
Anoop Kumar Sharma (Appointed w.e.f. 13.02.2024)	Non-Executive Independent Director	0	N.A.



(c) Number of Other Board of directors or Committees in which a Director is a Member or Chairperson as on 31.03.2024

Name of Director	Directorships			Committee positions in listed and unlisted public limited Companies, including deemed public co. (In accordance with Regulation 26(1) of Listing Regulations)	
	In listed Companies	In unlisted public limited Companies (Including deemed public companies)	In private limited Companies (Including Section 8 Companies)	As Chairperson	As Member
Mr. Rajneesh Bansal	1	4	4	0	3
Mr. Sat Paul Bansal	1	3	3	0	1
Mrs. Sarita Rani Bansal	1	1	4	0	0
Mr. Vigyan Prakash Arora	1	2	2	2	4
Mr. Dilbag Singh Sidhu	1	0	1	0	1
Mr. Ajay Arora	2	2	0	1	3
Mr. Inder Sain Negi	1	0	0	0	0
Mr. Nirmal Chand	1	1	0	0	1
Mr. Ritesh Vaid	1	0	0	0	0
Mr. Bhupinder Singh	1	0	0	0	0
Mr. Anoop Kumar Sharma	1	0	0	0	0



Note:

1. The Directorships held by Directors as mentioned above, include Directorships in the Private Limited Companies and Companies registered under Section 8 of the Companies Act, 2013, but do not include Directorships in Foreign Companies.
2. Directorships and Committee positions in listed companies include directorship and Committee positions in this Entity i.e. Paul Merchants Limited also.
3. The above information is as at 31.03.2024.
4. None of the directors holds office as a director, including as alternate director, in more than twenty Companies at the same time. None of them has directorships in more than ten public companies or Seven Listed Companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are also included.
5. As per declarations received from them, none of the directors serves as an Independent director in more than seven listed companies. Further, the whole-time directors in the Company do not serve as an independent director in more than three listed companies. No independent director of the Company holds the position of Whole Time Director in any Company.
6. None of the directors was a member in more than ten committees, nor a Chairman in more than five committees across all listed companies in which he was a director. For the purpose of considering the limit of the committees on which a director can serve as a member, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies, high value debt listed entities and companies under Section 8 of the Companies Act, 2013 have been excluded. For the purpose of determination of limit, chairpersonship and membership of the Audit committee and the Stakeholders' Relationship Committee alone have been considered in accordance with Regulation 26(1) of the Listing Regulations. A Director holding the position of Chairman in a Committee has been counted as a member of the said committee also.

Names of the Listed Entities where the person is a director and the category of directorship as on 31-03-2024:-

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



Sh. Vigyan Prakash Arora (Term ended on 31.03.2024)	Paul Merchants Limited	Non-executive Independent Director
Sh. Dilbag Singh Sidhu (Term ended on 31.03.2024)	Paul Merchants Limited	Non-executive Independent Director
Sh. Ajay Arora (Term ended on 31.03.2024)	Paul Merchants Limited,	Non-executive Independent Director
	Samrat Forgings Limited	Non-executive Independent Director
Sh. Inder Sain Negi	Paul Merchants Limited	Non-executive Independent Director
Sh. Ritesh Vaid	Paul Merchants Limited	Whole Time Designated Director
Sh. Nirmal Chand (Appointed w.e.f. 13.02.2024 and resigned w.e.f. 14.06.2024)	Paul Merchants Limited	Non-Executive Independent Director
Sh. Bhupinder Singh (Appointed w.e.f. 13.02.2024)	Paul Merchants Limited	Non-Executive Independent Director
Sh. Anoop Kumar Sharma (Appointed w.e.f. 13.02.2024)	Paul Merchants Limited	Non-Executive Independent Director

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

During the Financial year 2023-24, 6 (Six) Board Meetings were held and 1 (One) Independent Directors meeting was held.

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

11/04/2023, 23/05/2023, 11/08/2023, 09/11/2023, 20/12/2023 and 13/02/2024

Independent Directors meeting was held on 13-02-2024.



During the year under review, the gap between two Board meetings did not exceed 120 days as per Regulation 17 (2) of the SEBI (LODR) Regulations, 2015 and Section 173 of the Companies Act, 2013.

The attendance at the Board Meetings during the Financial Year 2023-24 is given below:-

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Vigyan Prakash Arora	Non- Executive Independent Director	6	6
Mr. Dilbag Singh Sidhu	Non- Executive Independent Director	6	6
Mr. Ajay Arora	Non- Executive Independent Director	6	6
Mr. Inder Sain Negi	Non- Executive Independent Director	6	5
Mr. Jeewan Lal Negi	Non- Executive Independent Director (Resigned w.e.f.27.12.2023)	6	3
Mr. Rajneesh Bansal	Managing Director	6	6
Mr. Sat Paul Bansal	Chairman, Non-Executive Director	6	6
Mr. Ritesh Vaid	Designated Whole Time Director	6	6
Mrs. Sarita Rani Bansal	Non- Executive Director	6	6
Mr. Anoop Kumar Sharma	Non- Executive Independent Director	6	0
Mr. Bhupinder Singh	Non- Executive Independent Director	6	0
Mr. Nirmal Chand	Non- Executive Independent Director	6	0

(e) RELATIONSHIP BETWEEN DIRECTORS INTER SE

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

The above information is as on 31-03-2024.



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

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

- Mrs. Sarita Rani Bansal:- She held 1036800 (33.62%) Equity Shares in the Company as on 31.03.2024. She does not hold any shares in the Company on beneficial basis.
- Mr. Sat Paul Bansal:-He held 75720 (2.46%) Equity Shares in the Company as on 31.03.2024. He does not hold any shares in the Company on beneficial basis.
- There is no other non-executive non-independent director of the Company

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

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

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

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

Your Company follows a structured orientation and familiarization programme through various programs / presentations for Independent Directors with a view to update them on all the matters concerning the Company. Periodic presentations are made at the Board Meetings on nature of the industry in which the Company operates, business model, roles, rights, responsibilities of independent directors, Company's strategy, operations, product offerings and such other areas as may arise from time to time. The details of familiarisation programme policy has been posted on the website of the Company under the web link <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/08/Familiarisation-Programme-Policy.pdf> and details of familiarisation programme imparted during the Financial Year 2023-24 have been posted under the web link: <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2023/04/Familiarization-Program-2023-24.pdf>

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

Core skills/expertise/ competencies identified by the board of directors as required in the context of its	Those actually available with the board



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

Names of directors as on 31.03.2024, who have such skills / expertise / competence:-

<p>1. Ability to understand Financial Markets especially Forex Markets</p>	<p>Mr. Rajneesh Bansal, Mr. Sat Paul Bansal, Mr Vigyan Prakash Arora, Mr. Ajay Arora, Mr. Dilbag Singh Sidhu, Mr. Ritesh Vaid, Mr. Inder Sain Negi, Mr. Anoop Kumar Sharma, Mr. Bhupinder Singh and Mr. Nirmal Chand</p>
<p>2. Ability to understand Regulatory/Statutory framework applicable to the Company</p>	<p>Mr. Rajneesh Bansal, Mr. Sat Paul Bansal, Mr Vigyan Prakash Arora, Mr. Ajay Arora, Mr. Dilbag Singh Sidhu, Mr. Ritesh Vaid, Mr. Inder Sain Negi, Mr. Anoop Kumar Sharma, Mr. Bhupinder Singh and Mr. Nirmal Chand</p>
<p>3. Quick decision making</p>	<p>All the 11 directors of the Company</p>
<p>4. Understanding of Company's business verticals</p>	<p>All the 11 directors of the Company</p>
<p>5. Experience in developing policies and processes relating to corporate governance</p>	<p>Mr. Sat Paul Bansal, Mr. Rajneesh Bansal, Mr. Ajay Arora, Mr Vigyan Prakash Arora, Mr. Inder Sain Negi, Mr.</p>



	Anoop Kumar Sharma, Mr. Bhupinder Singh and Mr. Nirmal Chand and Mr. Ritesh Vaid
6. Leaderships skills for guiding the management team	All the 11 directors of the Company
7. Ability to formulate long term and short term business strategies	Mr. Sat Paul Bansal, Mr. Rajneesh Bansal, Mr Vigyan Prakash Arora, Mr. Ritesh Vaid and Mr. Ajay Arora
8. Ability to understand Financial Statements	Mr. Rajneesh Bansal, Mr. Sat Paul Bansal, Mr Vigyan Prakash Arora, Mr. Ajay Arora, Mr. Dilbag Singh Sidhu, Mr. Ritesh Vaid, Mr. Anoop Kumar Sharma, Mr. Bhupinder Singh, Mr. Nirmal Chand and Mr. Inder Sain Negi

The term of Mr. Vigyan Prakash Arora, Mr. Ajay Arora and Mr. Dilbag Singh Sidhu, Independent Directors came to an end on 31.03.2024 and Mr. Anoop Kumar Sharma, Mr. Bhupinder Singh and Mr. Nirmal Chand were appointed as Independent Directors in their place. In the opinion of the Board, the new directors possess the required Skills/Expertise/Competence to discharge their duties as Independent Directors.

(i) CONFIRMATION BY THE BOARD REGARDING INDEPENDENT DIRECTORS

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

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

Mr. Jeewan Lal Negi (DIN 09166359) resigned from his position of Independent Director of the Company w.e.f. 27/12/2023 on account of personal reasons and his other professional commitments.

Mr. Nirmal Chand (DIN: - 10041305) resigned from the position of Independent Director of the Company w.e.f. 14/06/2024 due to the reason that he was holding independent



directorship in M/s RBL Finserve Limited, which is a wholly owned subsidiary of RBL Bank Limited (RBL) and RBL is one of the Lenders of Paul Merchants Finance Private Limited, Wholly owned subsidiary of Paul Merchants Limited and his simultaneous directorships in these said two Companies were conflicting with each other.

Both the above directors have confirmed that there were no other material reasons for his resignations other than those provided in the resignation letter.

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

3. AUDIT COMMITTEE

a. Brief description of Terms of Reference of Audit Committee:

This Committee has been constituted in compliance with Section 177 of the Companies Act, 2013 read along with the applicable Rules thereto and Regulation 18 of the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time. Any amendment in the said Acts/Regulations at any point of time in future shall be automatically deemed to be incorporated herein.

Powers of the Audit Committee

The powers of the Audit Committee shall include the following:-

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



Role of Audit Committee

The role of the audit committee shall include the following:-

A. The role of the audit committee shall include the following:

- (1) Overseeing the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties; provided that only those members of the audit committee, who are independent directors, shall approve related party transactions;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the Company, wherever it is necessary;



- (11) evaluation of internal financial controls and risk management systems;
 - (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (14) discussion with internal auditors of any significant findings and follow up there on;
 - (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (18) to review the functioning of the Vigil Mechanism/Whistle Blower Mechanism;
 - (19) to approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 - (20) To grant omnibus approval for related party transactions proposed to be entered into by the listed entity subject to the conditions as laid down in Listing Regulations and the Act, if any
 - (21) To review the utilization of loans and/ or advances from/investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
 - (22) To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders
 - (23) In case of transaction, other than transactions referred to in section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board
 - (24) In case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee
 - (25) To carry out any other function as is entrusted to it by the Board of Directors of which has been mandated under the Law.
- B. The audit committee shall mandatorily review the following information:
1. management discussion and analysis of financial condition and results of operations;
 2. management letters / letters of internal control weaknesses issued by the statutory auditors;



3. internal audit reports relating to internal control weaknesses; and
4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Composition of Audit Committee

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

Meetings of the audit committee

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

- a. The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.
- b. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.
- c. The audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

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



As on 31.03.2024, the Audit Committee of the Company comprises of 3 non-executive Independent Directors, who are well qualified and financially literate. Following is the composition of the Audit Committee as on 31.03.2024:-

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

Following is the composition of the Audit Committee w.e.f. 01.04.2024:-

Shri Anoop Kumar Sharma	Non- Executive Independent Director, Chairman
Shri Inder Sain Negi	Non- Executive Independent Director, Member
Shri Bhupinder Singh	Non- Executive Independent Director, Member
Sh. Hardam Singh	Company Secretary, Secretary to the Committee

Mr. Anoop Kumar Sharma is the Chairman of the Committee, who has relevant Accounts and related financial management expertise as well as qualification. Mr. Inder Sain Negi and Mr. Bhupinder Singh are other two members. All members of audit committee are financially literate.

The Company Secretary acts as a Secretary of the Committee.

c. Meetings of Audit Committee and attendance during the year 2023-24

4 meetings of the Audit Committee have been held during the year 2023-2024 on the following dates:-

22/05/2023, 10/08/2023, 08/11/2023, 12/02/2024

The attendance at the Audit Committee Meetings during the Financial Year 2023-24 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Vigyan Prakash Arora	Non-Executive Independent Director, Chairman	4	3
Mr. Dilbag Singh Sidhu	Non-Executive Independent	4	4



	Director, Member		
Mr. Ajay Arora	Non-Executive Independent Director, Member	4	4
Mr. Hardam Singh	Company Secretary, Secretary to the Committee	4	4

4. NOMINATION AND REMUNERATION COMMITTEE

(a) Brief description of Terms of Reference:-

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



Committee may deem appropriate after the approval of the Board or as may be directed by the Board from time to time.

(b) Composition, Names Of Members And Chairperson:-

Following was the composition of the Nomination and Remuneration Committee as on 31-03-2024:

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

Following was the composition of the Nomination and Remuneration Committee w.e.f. 01-04-2024:

Sh. Anoop Kumar Sharma	Non- Executive Independent Director, Chairman
Sh. Inder Sain Negi	Non- Executive Independent Director, Member
Shri. Bhupinder Singh	Non- Executive Independent Director, Member
Sh. Hardam Singh	Company Secretary, Secretary to the Committee

(c) Meetings And Attendance During The Year:-

5 meetings of the Nomination and Remuneration Committee have been held during the year 2023-2024 on the following dates:-

10/04/2023, 12/05/2023, 22/07/2023, 08/11/2023, 24/01/2024,

The attendance at the Nomination and Remuneration Committee Meetings during the Financial year 2023-24 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Dilbag Singh Sidhu	Non-Executive Independent Director, Chairman	5	5
Mr. Vigyan Prakash Arora	Non-Executive Independent Director, Member	5	4
Mr. Inder Sain Negi	Non-executive Independent Director, Member	5	5
Mr. Hardam Singh	Company Secretary, Secretary to the Committee	5	5



(d) Performance Evaluation Criteria For Independent Directors:-

- i. Experience and ability to contribute to the decision making process
- ii. Problem solving approach and guidance to the Management
- iii. Attendance and Participation in the Meetings
- iv. Personal competencies as per Chart given in the Nomination and Remuneration Policy and contribution to strategy formulation
- v. Contribution towards statutory compliances, monitoring of controls and Corporate Governance
- vi. The evaluation of independent directors shall be done by the entire board of directors which shall include –
 - (a) Performance of the directors; and
 - (b) fulfillment of the independence criteria as specified in the Companies Act and Listing Regulations and their independence from the management:

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

(e) NOMINATION AND REMUNERATION POLICY:

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

(f) COMPLIANCE WITH FIT & PROPER CRITERIA FOR DIRECTORS

The Nomination and Remuneration Committee, in accordance with the Policy on 'Fit and Proper' Criteria for Directors, ensures the 'Fit and Proper' status of Directors at the time of appointment and on a continuing basis, as prescribed by the RBI.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

The committee was headed by Sh. Vigyan Prakash Arora, Non Executive Independent Director till 31.03.2024 and w.e.f. 01.04.2024 Sh. Anoop Kumar Sharma, Non Executive Independent Director of the Company is heading the Committee.



(b) Name And Designation Of Compliance Officer

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

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

Email: investor.redressal@paulmerchants.net and cs@paulmerchants.net

Phone No.:- 0172-5041760

(c) Number of shareholders complaints received so far:-

2 (Two) shareholder complaints had been received by the Company directly during the FY 2023-24, which were resolved during the year. In addition, 1 complaint had been received on 28.03.2024, which was resolved on 01.04.2024.

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

(e) Number of shareholders' complaints pending - 1 Complaint was pending to be resolved on 31.03.2024, which was resolved on 01.04.2024 as explained in para (c) above.

(f) Composition:

Following is the composition of the Stakeholders' Relationship Committee as on 31-03-2024:-

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

Following is the composition of the Stakeholders' Relationship Committee w.e.f. 01-04-2024:-

Sh. Anoop Kumar Sharma	Non- Executive Independent Director, Chairman
Sh. Rajneesh Bansal	Managing Director, Member
Sh. Sat Paul Bansal	Non- Executive Non Independent Director, Member
Sh. Hardam Singh	Company Secretary, Secretary to the Committee

During the Financial year 2023-24, 4 meetings of the Stakeholders Relationship Committee have been held on the following dates: -

11/05/2023, 21/07/2023, 21/10/2023, 23/01/2024



The attendance at the Stakeholders' Relationship Committee Meetings during the Financial year 2023-24 is given below:-

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Vigyan Prakash Arora	Non- Executive Independent Director, Chairman	4	3
Mr. Sat Paul Bansal	Non-Executive Director, Member	4	4
Mr. Rajneesh Bansal	Managing Director, Member	4	4
Mr. Hardam Singh	Company Secretary, Secretary to the Committee	4	4

5A **Risk Management Committee:-**

The company was not required to constitute a Risk Management Committee in terms of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year under review, because the Company is not among top 1000 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year i.e. as on 31-03-2023. However, the Company has voluntarily constituted a Risk Management Committee, comprising Members of the Board and Senior Management Team of the Company as its members.

(a) Brief description of Terms Of Reference:-

- a. To ensure a sound and robust risk management system;
- b. To frame and recommend to the Board a risk management framework including Risk Management plan in accordance with the applicable Regulations/ guidelines and to review the same from time to time;
- c. To assess, review and monitor from time to time the risk associated with Company's business and suggest measures for mitigation of the same;

Quorum and other terms:

- a. The quorum of the meeting shall be either two members or one third of the total strength of the members of the Committee, whichever is higher;
- b. In the absence of the Committee chairman, the remaining members present shall elect one of themselves to chair the meeting.



- c. The Committee may invite any other members of the management from time to time;
- d. The Committee may hire any independent expert and seek their advice on the subject matters within its responsibilities;
- e. All the decisions of the Committee shall be made by majority of votes. In the event of equal votes the Chairman of the Committee shall have a casting vote;

Frequency of Meetings:

The Committee may meet from time to time as per the requirements but it shall meet at least two times in a year.

(b) Composition, Names Of Members And Chairperson:-

Following is the composition of the Risk Management Committee as on 31.03.2024:-

Sr. No.	Name of the Member	Designation
1	Sh. Rajneesh Bansal, Managing Director	Chairman
2	Sh. Vigyan Prakash Arora, Non-Executive Independent Director	Member
3	Sh. Ritesh Vaid, Designated Whole Time Director	Member
4	*Sh. Naveen Kumar Laroyia -Chief Financial Officer	Member
5	Sh. Gaurav Joshi-Assistant Vice President (IT)	Member
6	Sh. Hardam Singh, Company Secretary	Secretary to the Committee

*Note: Sh. Naveen Kumar Laroyia resigned w.e.f 12.08.2024 and in his place, Ms Sakshi was inducted in the Committee.

Following is the composition of the Risk Management Committee w.e.f. 01.04.2024:-

Sr. No.	Name of Director	Designation
1.	Sh. Rajneesh Bansal, Managing Director	Chairman



2.	Sh. Anoop Kumar Sharma, Non-Executive Independent Director	Member
3.	Sh. Ritesh Vaid, Designated Whole Time Director	Member
4.	Sh. Naveen Kumar Laroia, Chief Financial Officer (Resigned on 12.08.2024 and in his place, Ms. Sakshi, new Chief Financial Officer of the Company has been inducted as Member)	Member
5.	Sh. Gaurav Joshi, Assistant Vice President (IT)	Member
6.	Sh. Hardam Singh	Secretary to the Committee

(c) Meetings And Attendance During The Year:-

During the Financial year 2023-24 under review, two meetings of the Risk Management Committee have been held on the following dates: -

10-08-2023, 10-01-2024

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Rajneesh Bansal	Managing Director, Chairman	2	2
Mr. Vigyan Prakash Arora	Non-Executive Independent Director, Member	2	2
Mr. Ritesh Vaid	Whole Time Director, Member	2	2
Mr. Rajesh Garg	Chief Financial Officer, Member (resigned w.e.f. 09.11.2023)	2	0
Mr. Naveen Kumar Laroia	Chief Financial Officer (Appointed w.e.f. 09.11.2023)	2	1
Mr. Gaurav Joshi	Assistant Vice President (IT), Member	2	2



Mr. Hardam Singh	Company Secretary, Secretary to the Committee	2	2
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5B **Senior Management:-**

The details of the Senior Management of the Company as on 31.03.2024 is as under:-

Sr. No.	Name	Designation
1	Mr. Ritesh Vaid	Business Head and Designated Whole Time Director
2	Mr. Hardam Singh	Company Secretary cum Legal Head
3	Mr. Naveen Kumar Laroyia*	Chief Financial Officer
4	Mr. Gaurav Joshi	Assistant Vice Presidents-IT
5	Mr. Dharam Pal Sharma	Chief Compliance Officer
6	Mr. Nitin Sharma	Assistant General Manager –HR
7	Mr. Vikas Sharma	AGM – Administration & Risk Management
8	Mrs. Aarti Markan	Chief Internal Auditor

Changes in the Senior Management since the close of the FY 2022-23 i.e. since 01.04.2023:-

Mr. Rajesh Garg resigned from the position of Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 09/11/2023.

*Mr. Naveen Kumar Laroyia, Chartered Accountant (FCA 088257) was appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 09/11/2023 and he resigned on 12/08/2024 due to his major spinal surgery.

Ms. Sakshi, Chartered Accountant (FCA 419986) was appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 13/08/2024.

There is no other change in the Senior Management since the close of the FY 2022-23 i.e. since 01.04.2023

6. **REMUNERATION OF DIRECTORS**

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

Non-Executive Non Independent Directors:-



1. **Mrs. Sarita Rani Bansal:-** No Sitting fee was paid to her and there is no pecuniary relationship or transactions of Mrs. Sarita Rani Bansal with the Company during the year under review.
2. **Mr. Sat Paul Bansal:-** No Sitting fee was paid to him. There is no other pecuniary relationship or transactions of Mr. Sat Paul Bansal with the Company during the year under review.

Non-Executive Independent Directors:-

A sum of Rs. 5,13,750/- has been paid to Non- Executive Independent Directors as their sitting fee during the year 2023-24 (before TDS) as per details given below:

NAME	SITTING FEE (In Rs.)
Sh. Dilbag Singh Sidhu	1,12,500
Sh. Vigyan Prakash Arora	1,25,000
Sh. Ajay Arora	1,56,250
Sh. Inder Sain Negi	75,000
Sh. Jeewan Lal Negi	45,000
Total	5,13,750

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

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

Shares held by non-executive directors as on 31-03-2024 are given below:-

NAME	No. of Shares
Sh. Sat Paul Bansal	75720
Smt. Sarita Rani Bansal	1036800
Sh. Dilbag Singh Sidhu	Nil
Sh. Vigyan Prakash Arora	Nil
Sh. Ajay Arora	Nil
Sh. Inder Sain Negi	Nil
Sh. Anoop Kumar Sharma	Nil



Sh. Bhupinder Singh	Nil
Sh. Nirmal Chand	Nil
Total	11,12,520

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

The non-executive non independent Directors do not draw any remuneration from the Company and non-executive independent Directors are paid sitting fee as permitted under Companies Act, 2013 for attending meetings of the Board/Committees thereof. Their Travel Arrangements for attending the Board/Committee Meetings are made by the Company and actual travelling expenses incurred by the outstation Independent Directors for attending the Board/Committee Meetings, if any, are reimbursed to them. The sitting fee is fixed as per the experience, qualifications of the respective Independent Directors.

(c) Disclosures with respect to remuneration

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

Remuneration paid to the Executive Directors of the Company during the Financial year 2023-24 is as under:-

Mr. Rajneesh Bansal, Managing Director

Salary:- Remuneration of Rs. 2,40,00,000/- has been paid to him @ Rs. 20.00 Lakhs per month in the form of salary during the Financial Year under review. In addition, rent free accommodation has also been provided to him by the Company valued at Rs. 39,29,777/- for the year under review, which includes payment of Utility bills in the said accommodation on actual usage basis.

Commission:- A sum of Rs. 1,10,00,000/- has been paid to him as Commission for the Financial Year under review.

Benefits:- No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him for the year under review. Reimbursement of some expenses actually spent by him in the course of his official functions has been made to him as per Company policy during the year under review.



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

Remuneration period :- 3 years i.e. from 01-04-2022 till 31-03-2025

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

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

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

Performance Linked Incentive:-

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

Performance Criteria:-

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

Stock Option Details:- The Company has never issued any Stock Options, as such holding of Mr. Rajneesh Bansal in this regard is nil. He holds 882759 (28.62%) equity shares in the Company as on 31.03.2024. He does not hold any shares in the Company on beneficial basis. During the year under review, he has been allotted 588506 shares as bonus shares on 20.12.2023 pursuant to Company's bonus issue in the proportion of 2:1 i.e. 2 (Two) equity shares for every 1 (One) existing equity share held by the Members of the Company.

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

Apart from Salary, rent was paid to Mr. Rajneesh Bansal during the year under review in respect of some properties, which are owned by him and which are used by the Company as its branch offices in its ordinary course of business. Details of the same have been given in **Annexure D-5** to the Directors Report. Travel and Forex products were sold to him worth Rs. 15,38,683/- during the year under review, which was not in the nature of any contract or arrangement and the transaction was in the ordinary course of business of the Company on Arm's length basis on market rates. There is no other pecuniary



relationship or transactions of Mr. Rajneesh Bansal with the Company during the year under review.

Sh. Ritesh Vaid, Designated Whole Time Director

Salary:- Salary amounting to Rs. 23,59,800/- has been paid to him during the Financial Year under review.

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

Benefits:- In addition to the above mentioned salary, Performance Bonus of Rs. 99,960/- pertaining to the FY 2022-23 has been paid to him during the FY 2023-24. Further, the Performance Bonus of Rs. 1,20,000/- for the FY 2023-24 shall be paid to him at the time of Diwali, 2024. Leave Encashment of Rs. 72,000/- has been paid to him for the financial year under review. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him for the year under review. Reimbursement of some expenses actually spent by him in the course of his official functions has been made to him as per Company policy during the year under review.

Service Contract period:- From 10.02.2022 till 30.09.2026

Remuneration period :- From 10.02.2022 till 31.01.2025

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

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

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

Performance Linked Incentive:-

In addition to the above mentioned salary and other benefits, a performance linked Incentive of Rs. 95,004/- has been paid to him for the year under review. The performance criteria is profit and growth of the Company.

Performance Criteria:-

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



Stock Option Details:- The Company has never issued any Stock Options, as such holding of Mr. Ritesh Vaid in this regard is nil. He does not hold any Equity shares in the Company either in his own name or on beneficial basis.

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

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

6-A. EXECUTIVE COMMITTEE

COMPOSITION:

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

Following is the composition of the Executive Committee as on 31-03-2024:-

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

During the year under review, 17 meetings of the Executive Committee were held on following dates:-

12/04/2023, 10/05/2023, 14/06/2023, 27/06/2023, 14/07/2023, 28/07/2023, 29/08/2023, 25/09/2023, 27/09/2023, 26/10/2023, 29/11/2023, 05/12/2023, 27/12/2023, 19/01/2024, 08/02/2024, 22/02/2024, 13/03/2024.

The attendance at the Executive Committee Meetings during the year under review is given below:-

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Sat Paul Bansal	Non-Executive Director, Chairman of the Committee	17	17
Mr. Rajneesh Bansal	Managing Director, Member	17	17



Mr. Ritesh Vaid	Designated Whole Time Director, Member	17	17
Mr. Hardam Singh	Company Secretary, Secretary to the Committee	17	17

6-B. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

COMPOSITION:

Following is the composition of the CSR Committee as on 31-03-2024:-

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

Following is the composition of the CSR Committee w.e.f. 01-04-2024:-

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

During the year 2023-24, 4 meetings of the CSR Committee were held on:-

10/05/2023, 20/07/2023, 20/10/2023, 22/01/2024

The attendance at the CSR Committee Meetings during the Financial Year 2023-24 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
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Mr. Sat Paul Bansal	Non-Executive Non Independent Director, Chairman of the Committee	4	4
Mr. Rajneesh Bansal	Managing Director, Member	4	3
Mr. Vigyan Prakash Arora	Non-Executive Independent Director, Member	4	3
Mr. Hardam Singh	Company Secretary, Secretary to the Committee	4	4

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

CORPORATE SOCIAL RESPONSIBILITY POLICY

INTRODUCTION

For us at Paul Merchants Ltd (“PML”), reaching out to underserved communities is part of our rich culture. We believe in the trusteeship concept. We believe, we will be a more satisfied corporate when we operate according to the highest ethical standards, address unmet social needs, function with compassion and promote the wellbeing of citizens of this country, their communities and the entire environment. We strongly believe that a responsible corporate should go beyond the Statutory compliances and put something back into the society, which has given so much to the corporate. This entails transcending business interests and doing something for the people who are grappling with the "quality of life" challenges and working towards making a meaningful difference to them.

OUR VISION

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

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

OBJECTIVES

The objectives of this policy are to –

- Demonstrate commitment to the common good through responsible business practices and good governance



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

APPLICABILITY

1. CSR policy of PML has been developed in line with corporate philosophy of PML, in consonance with Section 135 of the Companies Act 2013 and in accordance with the Companies (Corporate Social Responsibility Policy) Rules as amended from time to time.
2. The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the said Act.

DEFINITIONS

- a. 'Act' means the Companies Act, 2013.
- b. 'Board' means the Board of Directors of the company;
- c. 'Corporate Social Responsibility (CSR)' means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely: -
 - i. activities undertaken in pursuance of normal course of business of the company;
 - ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
 - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.



d. 'CSR Committee' means the committee constituted under the provisions of Section 135 of the Act;

e. "CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time.

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

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

CSR BUDGET

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

BOARD

The Board of PML will be responsible for:

- a. approving the CSR policy as formulated by the CSR Committee
- b. ensuring that in each Financial Year the Company spends at least 2% of the average net profit, computed as per Section 198 of the Act read over with Section 2(h) of the Rules, during the three immediate preceding financial years.
- c. approving the Annual Action Plan for any financial year
- d. ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively
- e. regularly monitoring the implementation of CSR policy.
- f. Such other things/matters as may be required under the Act read with the rules made thereunder.

CSR COMMITTEE

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

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

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



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

MONITORING AND REPORTING FRAMEWORK

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the activities undertaken by the Company under this policy. The more details are listed under guiding principles for monitoring of CSR activities.

SURPLUS

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

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

CFO CERTIFICATE

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

GUIDING PRINCIPLES FOR SELECTION, IMPLEMENTATION AND MONITORING OF ACTIVITIES

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



a. Guiding principles for selection of CSR initiatives:-

- (i) CSR Committee shall recommend to the Board, the activities to be undertaken by the Company.
- (ii) The power to approve CSR activities shall vest with the Board of Directors of Paul Merchants Ltd
- (iii) All activities will be identified in an objective manner keeping in mind the ultimate beneficiaries and gauging their basic needs.
- (iv) CSR initiatives may also be taken to supplement the Central/ State Govt. Schemes
- (v) Preference shall be given to local area where the Company has its operations or has its offices or branches;
- (vi) The Company shall undertake CSR Activities only in pursuance of its CSR policy and in areas or subjects which are listed in Schedule VII of the Act as may be amended from time to time. The CSR Committee, from time to time shall choose activities out of the list to be undertaken under this policy, while recommending the Annual Action Plan and annual CSR Budget
- (vii) CSR Projects or programs or activities undertaken in India only shall be accounted as CSR Expenditure
- (viii) The Company shall not discriminate on any grounds whatsoever, including race, gender, age, ethnicity, caste, religion, domicile in implementation of its CSR activities but it may focus its CSR Activities to benefit the economically or socially weaker, or marginalised sections, of the society.
- (ix) The Company shall endeavour to maintain transparency in selection, implementation, monitoring and reporting of CSR Activities.

b. Guiding principles for implementation of CSR initiatives:-

- (i) The Company shall ensure that all CSR Activities undertaken directly or indirectly, meet applicable standards of quality followed by Company and/or are the market standard for such activities.
- (ii) The activities which can be implemented by PML either directly or by engaging Contractors for infrastructural development shall be taken up by PML
- (iii) The activities which cannot be taken up directly by PML because of its nature, size and other limitations, shall be considered for implementation through implementing agencies, provided that the implementing agency conforms to the eligibility criteria as specified in the CSR Rules and have relevant experience and good credentials. PML may also collaborate with internationally/nationally reputed Foundations / Organizations.
- (iv) The Company shall ensure that all the CSR Activities are implemented as per the Annual Action Plan approved by the Board.



- (v) Where ongoing projects are implemented, the Board while approving the project shall lay down the total budget including year wise allocations, timelines, and manner of execution etc.
- (vi) The Board may approve CSR expenditure beyond the statutory limits as voluntary budget during any financial year.

c. Guiding principles for monitoring of CSR initiatives:-

- (i) Monitoring of CSR projects may go concurrently with implementation, to assess if the progress is on expected lines and as per budgeted.
- (ii) Like implementation, monitoring too shall be done in project mode with continuous feedback mechanism, for mid-course correction in implementation, whenever required.
- (iii) Monitoring shall be performed by CSR Committee, which can designate a team of PML officials for this task to help mid-course correction, if required. CSR Committee can also engage the service of external agencies to monitor the implementation of CSR projects
- (iv) In compliance with the Act and to ensure that funds spent on CSR projects are creating the desired impact on the ground, the CSR Committee may implement a comprehensive Monitoring and Reporting framework, wherein the expenditure heads, geography covered, periodicity and distribution of expenditure over various heads may be monitored on regular basis.
- (v) the Board of the Company shall mandatorily disclose the composition of the CSR Committee, CSR Policy and Projects approved by the Board on the website of the Company, for public access.
- (vi) Any surplus arising out of the CSR activities shall not form part of the business profit of a company.

d. Guiding principles for formulation of Annual Action Plan

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

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



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

PUBLICATION OF CSR POLICY

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

REVIEW

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

Sd/-
(RAJNEESH BANSAL)
MANAGING DIRECTOR
12-05-2022

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

7. GENERAL BODY MEETINGS

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

YEAR	2021	2022	2023
Type of Meeting	AGM	AGM	AGM
Date	29.09.2021	29.09.2022	29.09.2023
Venue	Meeting held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)	Meeting held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)	Meeting held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)
Time	12.00 Noon	12.00 Noon	12.00 Noon



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

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

Year 2021

1. To approve the appointment of Sh. Inder Sain Negi (DIN: 08947230) as a Non-Executive Independent Director of the Company for a term commencing from 12.11.2020 and ending on 31.10.2025.
2. To approve the appointment of Sh. Jeewan Lal Negi (DIN: 09166359) as a Non-Executive Independent Director of the Company for a term commencing from 08.06.2021 and ending on 31.03.2026.
3. To approve the appointment of Sh. Sat Paul Bansal (DIN 00077499), as a Non-Executive Non Independent Director and Chairman of the Company.
4. To approve the adoption of the new set of Articles of Association in place of existing Articles of Association of the Company.
5. To approve the matter relating to fixation of fee for delivery of any document through a particular mode to any Member of the company requesting for the same.

Year 2022

1. To approve the revised remuneration and terms and conditions of Sh. Rajneesh Bansal (DIN 00077230) as the Managing Director of the Company.
2. To approve the continuation of directorship of Smt. Sarita Rani Bansal (DIN 00094504) after she attains the age of 75 years.

Year 2023

To adopt the new Memorandum of Association of the Company

(c) **Whether any Special Resolution passed last year through Postal Ballot – details of voting pattern**

Yes, Three Special Resolutions were passed through Postal Ballot through the process of Postal ballot through e-voting during Financial Year FY 2023-24.



Details of Voting pattern for the above mentioned Special Resolutions:-

Sr. No.	Resolution	Consolidated details of Votes	Votes casted in favor	Votes cast against	Date of Passing Resolution
1.	To appoint Mr. Anoop Kumar Sharma (DIN: 02296633) as an Independent Director of the Company	2411819	2411801	18	15 th March, 2024
2.	To appoint Mr. Bhupinder Singh (DIN: 02152722) as an Independent Director of the Company	2411819	2411795	24	15 th March, 2024
3.	To appoint Mr. Nirmal Chand (DIN: 10041305) as an Independent Director of the Company	2411819	2411795	24	15 th March, 2024

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

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

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

No Special Resolution is proposed to be conducted through Postal Ballot Process at the ensuing Annual General Meeting. However, remote e-voting facility and evoting facility during the AGM shall be provided to the members in respect of all the resolutions to be passed at the ensuing AGM.



- (f) **Procedure for Postal Ballot:** - Not applicable. However, process for remote e-voting and e-voting during the AGM has been provided in the notes to the notice of the ensuing AGM.

8. **MEANS OF COMMUNICATIONS**

(a) **Quarterly Results :**

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

(b) **Newspapers wherein the results normally published : -**

The said Results are normally published in The Financial Express (English, all India edition) and Jansatta (Hindi, Delhi edition).

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

The Quarterly, Half yearly and Annual Results are displayed on Company's website www.paulmerchants.net. The Company's website contains a dedicated section "Investors" under which the details/information of interest to various stakeholders is displayed. The Results are also sent to BSE Ltd, which is displayed by BSE on its website <http://www.bseindia.com>.

(d) **Whether it also displays official news releases:**

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

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

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

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

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



9. GENERAL SHAREHOLDER INFORMATION

a.	Annual General Meeting: Date, time and Venue	Date:- Thursday, the 26 th day of September, 2024 Time:- At 12.00 Noon Venue:- The Company is conducting the meeting through VC / OAVM pursuant to the MCA Circular no. 09/2023 dated 25.09.2023 read over with its earlier Circulars on the subject and SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07.10.2023 read over with its earlier Circulars on the subject, as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM. The deemed venue for the 40 th AGM shall be the Registered Office of the Company.
b.	Financial year	1 st April, 2023 to 31 st March, 2024
c.	Dividend Payment Date	N/A
d.	Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001. Listing Fee for the Financial year 2023-24 had been paid to BSE Ltd on 19/04/2023 and for the Financial year 2024-25 has been paid on 18/04/2024.
e.	Stock Code	539113



f.	Market Price Data: High, Low during each month in last financial year	PAUL MERCHANTS LIMITED					
		Month	High Price	Low Price			
		Apr-23	1347.00	1050.00			
		May-23	1368.00	1252.00			
		Jun-23	1750.00	1282.00			
		Jul-23	2159.60	1703.00			
		Aug-23	2185.00	1881.00			
		Sep-23	2016.00	1832.00			
		Oct-23	2022.90	1762.10			
		Nov-23	3142.30	1822.15			
		Dec-23	3984.85	1204.15			
		Jan-24	1463.80	1110.75			
		Feb-24	1479.90	1115.00			
Mar-24	1253.80	770.60					
g.	Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.	PAUL MERCHANTS LIMITED			SENSEX		
		Month	High Price	Low Price	Month	High Price	
					Low Price		
		Apr-23	1347.00	1050.00	Apr-23	61209.46	58793.08
		May-23	1368.00	1252.00	May-23	63036.12	61002.17
		Jun-23	1750.00	1282.00	Jun-23	64768.58	62359.14
		Jul-23	2159.60	1703.00	Jul-23	67619.17	64836.16
		Aug-23	2185.00	1881.00	Aug-23	66658.12	64723.63
		Sep-23	2016.00	1832.00	Sep-23	67927.23	64818.37
		Oct-23	2022.90	1762.10	Oct-23	66592.16	63092.98
		Nov-23	3142.30	1822.15	Nov-23	67069.89	63550.46
		Dec-23	3984.85	1204.15	Dec-23	72484.34	67149.07
		Jan-24	1463.80	1110.75	Jan-24	73427.59	70001.6
Feb-24	1479.90	1115.00	Feb-24	73413.93	70809.84		
Mar-24	1253.80	770.60	Mar-24	74245.17	71674.42		
h.	In case the securities are suspended from trading, the directors report shall explain the reasons thereof	N/A. The securities of the Company have never been suspended from trading.					
i.	Registrar to an Issue and Share Transfer Agents	Alankit Assignments Limited, 205-208 Anarkali Complex Jhandewalan Extension New Delhi- 110055 (INDIA) Ph. No.: 011-42541959 (RTA of the Company)					



j.	Share Transfer System	<p>In terms of provisions of Regulation 7 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to ensure that all activities in relation to share transfer facility are maintained either in-house or by Registrar to Issue and Share Transfer Agent registered with the SEBI. In the Company, the said activities are maintained by the Registrar and Share Transfer Agent of the Company (RTA) M/s Alankit Assignments Limited, having registered Office at 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi, SEBI Regn. No. INR000002532. Share transfers processed by the RTA M/s Alankit Assignments Limited, New Delhi are taken note of by Share Transfer Committee, i.e. Stakeholders' Relationship Committee. The Registrar ensures to attend to the formalities pertaining to transfer of securities at least once in a fortnight along with transmission and issue of duplicate share certificates etc. Post 01-04-2019, SEBI has prohibited Transfer of shares in physical mode. As such, the shares of the Company are traded in dematerialized form only. Transfer of shares in dematerialized form is done through the depositories without any involvement of the Company. The Company obtains from a Company Secretary in practice, a Yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchange.</p> <p>Till 01-04-2019 the share transfers, which were received in physical form, were processed and the share certificates returned within a period of 15 days from the date of receipt by the RTA, subject to documents being valid and complete in all respects. The SEBI Circular dated 08-06-2018, amending thereby the SEBI LODR Regulations to provide for prohibition of Transfer of Shares in Physical form after 01-04-2019 has already been brought to the notice of the Shareholders.</p> <p>All requests for dematerialization of shares are processed and the confirmation is given to the Depositories within 21 days by RTA subject to documents being valid and complete in all respects. Grievances received from Members are immediately attended to and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar within 15 days. Stakeholders' Relationship Committee also looks into the Investors Grievances, if there is any. IT is important to note here that as on date, entire share capital of the Company is in dematerialized form.</p> <p>SCORES (SEBI complaints redressal system): SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge</p>
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		complaint against a Company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI. During the year under review, the Company did not receive any complaint on SCORES platform.
k.	Distribution of Shareholding	As per <u>Annexure- G-1</u>
l.	Dematerialization of shares and liquidity	<p>Entire 30,84,000 Equity Shares of the Company constituting 100% of the issued, subscribed and paid-up share capital is held in dematerialized form as on March 31, 2024 and as such, there is sufficient liquidity in the stock.</p> <p>All shareholders are requested to update their bank account and other relevant details with their respective depositories urgently. This would facilitate transfer of dividend directly to the bank account of the shareholders, whenever applicable.</p>
m.	Outstanding Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs)/ Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments till date.
n.	Commodity price risk or foreign exchange risk and hedging activities	<p>The Company is not a sizeable user of commodities, hence exposes itself moderately to the price risk on account of procurement of commodities. The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to be made in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/ 000000141 dated November 15, 2018.</p> <p>The exposure to foreign exchange risk is limited to stock of Foreign Exchange held in the branch offices of the Company and unsettled transactions at the Central treasury which are adequately covered in</p>



		advance with Banks or other FFMCS. All the Forex Transactions are being covered under the CASH / TOM / SPOT covering.		
o.	Plant Locations	The Company is in service Industry and had 71 own offices as on 31-03-2024. The list of the said offices is appended to this Annual Report in the beginning.		
p.	Address for correspondence	The Company Secretary, PML House, SCO 829-830, Sector 22-A, Chandigarh – 160022 Ph. 0172-5041792, 5041760, email: cs@paulmerchants.net		
q.	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	Instrument/Facility	Amount (INR Crore)	Rating Assigned by Infomeric Valuation and Rating Pvt Ltd., a SEBI registered Credit Rating Agency) on 02.06.2023
		Long Term Bank Facility – Working capital facility	19.75 (increased from Rs. 8.00 crores)	IVR A (Negative); (IVR A with negative Outlook) Reaffirmed with revision in outlook
		Short Term Bank Facility– Bank Guarantee	2.00	IVR A1; Reaffirmed
		Total	21.75	
q.	List of all credit ratings obtained by the entity along with any revisions thereto during the	Instrument/Facility	Amount (INR Crore)	Rating Assigned by Infomeric Valuation and Rating Pvt Ltd., a SEBI registered Credit Rating



	relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.			Agency on 21.07.2023
		Long Term Bank Facility – Working capital facility	19.75	IVR A (Stable) (IVR A with stable outlook) (Reaffirmed with revision in outlook)
		Short Term Bank Facility– Bank Guarantee	2.00	IVR A1; (Reaffirmed)
		Proposed Long Term/Short Term loans	10.00	IVR A stable outlook (Assigned) IVR A1
		Total	31.75	
r.	Date of Book closure	12-09-2024 to 18-09-2024 (both days inclusive)		
s.	ISIN	INE 291 E 01019		

ANNEXURE – G-1

(a) **Distribution of Shareholding (No. of Shares) as on March 31, 2024 is as under :-**

No. of Shares	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Holding
1-500	3770	95.44	174715	5.67
501-1000	79	2.00	57975	1.88
1001-2000	48	1.22	72453	2.35
2001-3000	20	0.51	49814	1.61
3001-4000	3	0.07	11143	0.36
4001-5000	6	0.15	26864	0.87
5001-10000	9	0.23	64632	2.10
10001 and above	15	0.38	2626404	85.16
Total	3950	100.00	3084000	100.00



Shareholding Pattern as on 31st March, 2024:-

Category	No. of Shares held
Promoters	23,02,344
Institutional Investors	0
Mutual Funds & UTI	0
Banks, Financial Institutions and Insurance Companies	0
FII's	0
Others	0
Private Corporate Bodies (Including clearing member)	12,601
Indian Public (including HUF)	7,60,425
NRIs/QCBs	8,630
Trust	0
Total	30,84,000

10. OTHER DISCLOSURES

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

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

All the transactions with the related parties undertaken by the Company during the year under review are in compliance with Section 177 and 188 of Companies Act, 2013, wherever applicable, and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards. Further reference in this regard can be made to Note no. 41 of the standalone Balance sheet and **Annexure D-5** to the Directors Report, which is a part of this Annual Report.

For disclosure of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity i.e. Paul Merchants Limited as required in terms of Clause 2A of Part A of Schedule V to



the SEBI (Listing Obligations and Disclosure Requirements) Regulations, in the format prescribed in the relevant accounting standards for annual results, please refer Note no. 41 of the standalone Balance sheet and **Annexure D-5** to the Directors Report, which is a part of this Annual Report.

Further details of related party transactions form part of Notes to the Accounts under Note no. 41 of the standalone Financial Statements attached to this Annual Report. While entering into the above transactions, the Company had made full disclosures in the Board Meetings as well as Audit Committee Meetings, prior approval of Audit Committee as well as Board of Directors was obtained and interested directors duly disclosed their interest in the said Board Meetings and Audit Committee Meetings and did not participate in the discussions on such resolutions. The details of the Related Party Transactions, entered into by the Company in the ordinary course of business at Arm's length basis are given as **Annexure D-5** to the Directors Report. The company has framed its Policy on dealing with Related Party Transactions and the same is available on its website under the weblink <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/08/Related-Party-Transaction-Policy-23-05-2023.pdf>

(b) **Details Of Non-Compliance By The Listed Entity, Penalties, Strictures Imposed On The Listed Entity By Stock Exchange(S) Or The Board Or Any Statutory Authority, On Any Matter Related To Capital Markets, During The Last Three Years**

There is no non-compliance by the Company and there are no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years. However, during the year 2022-23, BSE Ltd had imposed a penalty of Rs. 17,700/- for alleged delay of one day in the filing of Statement of Related Party Transactions for the half year ended 31.03.2022 under Regulation 23(9) of the Listing Regulations. The company duly paid the fine imposed by BSE and also filed an application for waiver of fine with the Fine Waiver Committee of BSE Limited. The matter since then, is pending with BSE.

(c) **Details of establishment of a Vigil Mechanism/ Whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee**

The Vigil Mechanism cum Whistle Blower Policy is in place which is reviewed by the Audit Committee on regular basis and the text of the same is given at the end of this Corporate Governance Report as **Annexure-9A**.

The Company do hereby affirm that no personnel has been denied access to the Audit Committee. No complaint has been received by the Committee during the year under review. The Vigil Mechanism cum Whistle Blower Policy is also available on the Website



of the Company <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/08/Vigil-Mechanism-Policy-13.08.2024.pdf>

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

The Company has complied with all the mandatory requirements of the Listing Regulations.

(e) **Cyber Security & Data Privacy**

The Company conducts regular reviews of the most significant risks affecting the business or processes of the Company. During the year under review, there are no incidents of cyber security breaches or loss of data or documents and this fact has been duly disclosed along with the Corporate Governance Reports submitted with the BSE Ltd every Quarter in accordance with Regulation 27(2) of the Listing Regulations.

Adoption of Non-Mandatory Requirements as per part E of Schedule II Of SEBI (LODR) Regulations, 2015

1. **The Board**

As on 31st March, 2024, Mr. Sat Paul Bansal, a non- executive Director is the Chairman of the Board. His office is maintained at the company's expense and is allowed reimbursement of expenses incurred by him in performance of his official duties.

2. **Shareholder Rights**

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

3. **Modified Opinion(s) in the Audit Report**

There are no Audit qualifications/Modified Opinion on the Financial Statements of the Company for the year 2023-24 and as such the current Financial Statements are with unmodified audit opinion. As there are no Audit qualifications/Modified Opinion on the Financial Statements of the Company, statement on Impact of Audit Qualifications as



stipulated in Regulation 33(3)(d) of SEBI (LODR) Regulations is not required to be given

4. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Company has appointed separate persons to the post of the Chairperson and the Managing Director and the Chairman is a non-executive director. However, the Chairman is related to the Managing Director as per the definition of the term “relative” defined under the Companies Act, 2013.

5. Reporting of Internal Auditor

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

(f) Web Link Where Policy For Determining ‘Material’ Subsidiaries Is Disclosed.

<http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Material-Subsidiary-Policy-07-02-2019-1.pdf>

(g) Web link where policy on dealing with related party transactions is disclosed:-

<https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/08/Related-Party-Transaction-Policy-23-05-2023.pdf>

(h) Disclosure of commodity price risks and commodity hedging activities

The Company is not a sizeable user of commodities, hence exposes itself moderately to the price risk on account of procurement of commodities. As such, no commodity hedging activities are undertaken by the Company. The Company has adequate risk assessment and minimization systems in place including for commodities. For the reason that the Company does not have material exposure to any price risk in relation to the commodities and accordingly, no hedging activities for the same are carried out, therefore there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018.

Further, the exposure to foreign exchange risk is limited to stock of Foreign Exchange held in the branch offices of the Company and unsettled transactions at the Central



treasury which are adequately covered in advance with Banks or other FFCs. All the Forex Transactions are being covered under the CASH / TOM / SPOT covering.

(i) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

Information in this regard is nil as no funds were raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the year under review.

(j) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority

The said Certificate is enclosed herewith as **Annexure D-14**.

(k) Disclosure of cases where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the Financial year 2023-24, along with reasons thereof –

Information in this regard is nil as there was no instance when board had not accepted any recommendation of any committee of the board which is mandatorily required, during the financial year under review.

(l) Total Fees For All Services Paid By The Listed Entity And Its Subsidiaries, On A Consolidated Basis, To The Statutory Auditor And All Entities In The Network Firm/Network Entity Of Which The Statutory Auditor Is A Part -

The required information for the Financial Year 2023-24 is given as under:-

Fees paid to the Auditors:-

Name of the Company	Fees paid for Audit (Including Tax Audit) (Rs.)	Fees paid for other services (Rs.)
Paul Merchants Limited	2,00,000 plus GST	1,30,000 plus GST
Paul Merchants Finance (P) Limited	1,50,000 plus GST	1,00,000 plus GST
PML Realtors (P) Limited	10,000 plus GST	NIL



Paul Infotech (P) Limited	5000 plus GST	NIL
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Fees paid to the all entities in the network firm/network entity of which the statutory auditor is a part:-

Name of the Company	Fees paid for Audit (Including Tax Audit)	Fees paid for other services
Paul Merchants Limited	NIL	NIL
Paul Merchants Finance (P) Limited	NIL	NIL
PML Realtors (P) Limited	NIL	NIL
Paul Infotech (P) Limited	NIL	NIL

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

- a. Number of complaints filed during the financial year 2023-24 - **NIL**
- b. Number of complaints disposed of during the financial year 2023-24 - **NIL**
- c. Number of complaints pending as on end of the financial year 2023-24 – **NIL**

(n) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:-

Sr. No.	Loans made by	Loans given to	Amount outstanding as on 31.03.2024
1	Paul Merchants Limited (Holding Company)	Paul Merchants Finance Private Limited, Wholly Owned Subsidiary (WOS). An amount of Rs. 47,48,00,000 /- was repaid by the said WOS during the year under review on net basis.	Rs. 1,89,90,61,580
2	PML Realtors Private Limited (Wholly Owned Subsidiary Company)	Paul Merchants Finance Private Limited (PMFPL). An amount of Rs. 14,00,000/- was repaid by PMFPL during the year under review on net basis.	Rs. 6,19,70,000
3	Paul Merchants Finance Private Limited (Wholly Owned Subsidiary Company)	Bosna Digital Entertainment Pvt Ltd. (Bosna). An amount of Rs. 6,25,0000 has been repaid by Bosna on net basis.	Rs 1,75,00,000



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

- (o) **Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries**

Name of the Material Subsidiary	Paul Merchants Finance Private Limited
Address of its Regd. Office	Ground Floor, SCO 827-828, Sector 22-A, Chandigarh - 160022
Principal Business Activities	Gold Loans, Business/personal loans, distribution of Insurance products and PPI Instruments
Date of incorporation	15-09-2010
Place of incorporation	Chandigarh
Name of the Statutory Auditors	M/s Rajiv Goel and Associates, Chartered Accountants, S.C.O. 823-24, FF, Sector 22-A, Chandigarh (Firm Regn. No. 011106N)
Date of appointment of the statutory auditors	26 th August, 2020

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

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

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

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

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

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



obtained from Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh regarding compliance of conditions of Corporate Governance by the Company and the same is annexed to this Annual Report as **Annexure D-10.**

D. CEO DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

The Managing Director of the Company has issued a Declaration that the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management. As there is no Chief Executive Officer in the Company, this Declaration has been issued by the Managing Director of the Company. The Declaration is appended to this Report at the end of this Report. This Declaration has been given as **Annexure D-8** to this Report.

Further, in terms of the requirements of Regulation 17 (8) read with Part B of Schedule II to the SEBI (LODR) Regulations, 2015, the Managing Director and the Chief Financial Officer have submitted necessary certificate to the Board of Directors stating & certifying the particulars specified under the said Regulation. As there is no Chief Executive Officer in the Company, this Certificate has been issued by the Managing Director of the Company along with Chief Financial Officer of the Company. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors. This Certificate has been given as **Annexure D-13** to this Report.

E. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

A Certificate obtained from Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh has been obtained and the same has been annexed to this Annual Report as **Annexure D-10.**

Further, a Certificate issued by the Statutory Auditors of the Company certifying compliance by the Company with Guidelines issued by Reserve Bank of India from time to time on KYC/AML/CFT during the Financial Year under review, has been annexed to this Annual Report as **Annexure D-15.**

F. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

During the year, the Company opened a Suspense Escrow Demat Account with Alankit Assignments Ltd in relation to its bonus issue of 2056000 equity shares. No shares were required to be transferred to the said Suspense Escrow Demat Account.



G. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

Information as required under clause 5A of paragraph A of Part A of Schedule III of Listing Regulations in Nil during the Financial Year under review.

Miscellaneous Disclosures

(i) Reconciliation Of Share Capital Audit

A reconciliation of Share Capital Audit was carried out by a qualified practicing Company secretary on quarterly basis for the purposes of reconciliation of the total issued capital, listed capital and capital held by depositories in dematerialized form, the details of changes in share capital during the quarter and for other purposes as specified in the Regulation 76(1) and 76(2) of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(ii) Code For Prevention Of Insider Trading

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Further a Code of Fair Disclosure and Prevention of Insider Trading Code under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 have been adopted and displayed on the website of the Company at <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/08/Code-of-Conduct-Reg-9-1.pdf>. These Codes lay down guidelines vide which it advises the designated Persons and connected persons on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and caution them of the consequences of violations.

(iii) Material Subsidiaries

The Company has one material subsidiary in the name of Paul Merchants Finance (Pvt) Ltd as defined under Regulation 16 (1) (c) of SEBI (LODR) Regulations, 2015. The requirement relating to composition of Board of Directors of Unlisted Material subsidiary and other requirements of Listing Regulations with respect to Material subsidiaries have been complied with during the year under review.

(iv) Disclosure Regarding Appointment Or Re-appointment Of Directors:

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Smt. Sarita Rani Bansal (DIN 00094504), Director of the Company retire by rotation in the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.



Further, it has been proposed to re-appoint 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.

The brief Resume and other details of the said directors are already given as part of the Notice of Annual General Meeting.

(v) Code of Conduct

(i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copy of Code of Conduct as applicable to the Directors (including Senior Management of the Company) is uploaded on the website of the Company at <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/05/Code-of-Conduct.pdf>

(ii) The Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2024. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard and the same is annexed to this Annual Report as **Annexure D-8**.

(vi) Board Disclosures - Risk Management

The Company manages risks as an integral part of its decision making process. The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee, Risk Management Committee and the Board of Directors review these procedures periodically.

(vii) Information placed before the Board

The Agenda is circulated well in advance to the Board Members along with Agenda Notes. The items in the Agenda are backed by comprehensive background information to facilitate meaningful discussions and to enable the Board to take efficient decisions. The Board of Paul Merchants Limited is presented with all relevant information on various vital matters affecting the working of the company in addition to the matters set out in Companies Act, 2013, SEBI (LODR) Regulations, 2015 and Secretarial Standards. Also, extensive information is provided on various critical matters such as Risk Assessment, Growth, Expansion, Related party transactions, sales, financial performance, foreign exchange exposure, Appointment of Key Management Personnel (KMP) and employees one level below KMPs, material legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters.



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

During the year under review, no money has been raised by the Company by way of Public Issues, Rights Issues, Preferential Issues Etc. The Company issued 20,56,000 Bonus equity shares during the year under review in the ratio of 2:1.

(ix) Management Discussion & Analysis Report:

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

(x) Annual Secretarial Compliance Report

As per Regulation 24A read over with SEBI circular dated 8th February, 2019, all listed entities are mandated to obtain Annual Secretarial Compliance Report from the Company Secretary in practice on compliance with all applicable SEBI Regulations and circulars / guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report (Form MR – 3). The Company has received the aforesaid Secretarial Compliance Report from Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh for the Financial Year 2023-24. A copy of the said Annual Secretarial Compliance Report is enclosed in this Annual Report as **Annexure-D-16**. The report is unqualified. The observations in the aforesaid report are self-explanatory and therefore, the Board of Directors do not have any further comments to offer on the same.

(xi) Arbitration Mechanism (ODR Mechanism)

Vide SEBI Circular number SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023, SEBI has established a common Online Dispute Resolution Portal (“ODR Portal”) for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal <https://smartodr.in/login>. The Company has already registered itself on this platform in compliance with the said SEBI Circulars.

(xii) Web link of the Corporate Policies of the Company

Your Company is inclined towards following highest levels of ethical standards in all its business transactions. To ensure the same, the Company has adopted various policies,



codes and practices. The Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, also mandates the formulation of certain policies for all listed companies. These policies are reviewed periodically by the Board and are updated in line with amended laws and requirements. The web link of the key policies adopted are detailed below:-

Name of the Policy	Web link
Code of Conduct for Directors and Senior Management	https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/05/Code-of-Conduct.pdf
Familiarization Programme Policy for Independent Directors	https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/08/Familiarisation-Programme-Policy.pdf
Paul Merchants Ltd Code of Practices & Procedures For Fair Disclosure Of Unpublished Price Sensitive Information	https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/06/PML-Code-of-Fair-Disclosure-2023.pdf
Code of Conduct to Regulate, Monitor and Report of trading by Designated Persons and their Immediate Relatives	https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/08/Code-of-Conduct-Reg-9-1.pdf
Archival Policy	https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/08/POLICY-ON-ARCHIVAL-OF-RECORDS.pdf
Policy on Related Party Transactions	https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/08/Related-Party-Transaction-Policy-23-05-2023.pdf
Policy for Determining Material Subsidiaries	https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Material-Subsidiary-Policy-07-02-2019-1.pdf
Nomination and Remuneration Policy	https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2023/06/NRC-Policy_11.05.2023_Website.pdf
Policy for Determining Materiality	https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2023/08/Determination-of-Materiality.pdf
Corporate Social Responsibility Policy	https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/CSR-Policy.pdf



Vigil Mechanism Cum Whistle Blower Policy	https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2024/08/Vigil-Mechanism-Policy-13.08.2024.pdf
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For & On Behalf of the Board

**Sd/-
(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)**

For & On Behalf of the Board

**Sd/-
(RITESH VAID)
WHOLE TIME DIRECTOR
(DIN 09433856)**

PLACE: CHANDIGARH
Date: August 13, 2024

**ANNEXURE-9A****VIGIL MECHANISM CUM WHISLTE BLOWER POLICY****PREAMBLE**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, legality, integrity and ethical behavior. Any actual or potential violation of the same, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations cannot be undermined. Accordingly, this Vigil Mechanism cum Whistle Blower Policy has been formulated with a view to provide a mechanism for employees of the Company and others concerned to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

Regulation 4 (2)(d)(iv) read with Regulation 22 (1) of the Securities & Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, inter alia, provides for requirement to establish a mechanism called 'Whistle Blower Policy' for stakeholders, employees and their representative bodies to report to the management, instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

Section 177 of the Companies Act, 2013 also provides that the Company shall establish a Vigil Mechanism for Directors and Employees to report genuine concerns. This Vigil Mechanism is meant to serve the purpose of Section 177 of the Companies Act, 2013 as well as 'Whistle Blower Policy' under the SEBI (LODR) Regulations.

The Company had adopted the Vigil Mechanism cum Whistle Blower Policy on 27-05-2014 as approved by the Audit Committee. Further the Board of Directors amended this Vigil Mechanism cum Whistle Blower Policy from time to time.

1. OBJECTIVE

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for Stakeholders, Directors, employees and their representative bodies, to raise concerns of any violations of legal or regulatory requirements, unethical behavior, fraud, violation of Company's code of conduct, incorrect or misrepresentation of any financial statements and reports, etc.

2. POLICY

The Vigil Mechanism intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company. The policy neither



releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

No adverse action shall be taken or recommended against any Stakeholder, Director, employee or their representative body in retaliation to his disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This protects such employees or Director from unfair termination and unfair prejudicial employment practices.

However, this policy does not protect an employee or Director from an adverse action which occurs independent of his disclosure of unethical and improper practice or alleged wrongful conduct, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

3. DEFINITIONS

- a. **“Disciplinary Action”** means any action that can be taken on the completion of /during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties, termination, legal action or any such action as is deemed to be fit considering the gravity of the matter.
- b. **“Employee”** means every employee of the Company (whether working in India or abroad)
- c. **“Directors”** include independent, Nominee & Alternate directors
- d. **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- e. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under this Policy.
- f. **“Whistleblower”** is someone who makes a Protected Disclosure under this Policy.
- g. **“Whistle Committee”** means a Committee of persons who is/are nominated/ appointed to conduct detailed investigation of the disclosures received from the whistleblower and recommends disciplinary action.
- h. **“Audit Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations.



- i. **“Company”** means Paul Merchants Ltd.
- j. **“Ombudsman”** means, the Officer or Officers designated as such by the Audit Committee for the purpose of this Policy.
- k. **“GOOD FAITH”** An employee or a Director or a Stakeholder shall be deemed to be communicating in ‘good faith’ if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge of a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- l. **Policy or This Policy means**, “Vigil Mechanism cum Whistle Blower Policy”
- m. **“Improper Activity:** means to include:
 - i. Abuse of authority
 - ii. Breach of contract
 - iii. Negligence causing substantial and specific danger to the Organization or public health and safety
 - iv. Manipulation of company data/records
 - v. Financial irregularities, including fraud or suspected fraud or deficiency in Internal Control and internal checks or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
 - vi. Any unlawful act whether Criminal/ Civil
 - vii. Pilferation of confidential/proprietary information
 - viii. Deliberate violation of law/regulation
 - ix. Wastage/misappropriation of company funds/assets
 - x. Breach of Company Policy or failure to implement or comply with any approved Company Policy, code of conduct
 - xi. Unethical behavior
 - xii. Leak of any Unpublished Price Sensitive Information (“UPSI”). “UPSI” for this purpose is as defined under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations



4. SCOPE

Various Stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

- a. Employees of the Company and their representative bodies
- b. Directors of the Company
- c. Employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location
- d. Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company
- e. Customers of the Company
- f. Any other person having an association with the Company

A person belonging to any of the above mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy.

NOTE: Policy should not be used to be a route for raising malicious or unfounded allegations against colleagues.

5. GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- i. Ensure that the Whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so
- ii. Treat victimization as a serious matter, including initiating disciplinary action on such person/(s)
- iii. Ensure complete confidentiality
- iv. Not attempt to conceal evidence of the Protected Disclosure
- v. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made
- vi. Provide an opportunity of being heard to the persons involved especially to the Subject

6. ANONYMOUS ALLEGATION

Whistleblowers must put their names to the allegations made by them because follow-up action & investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will ordinarily NOT be investigated.



7. PROTECTION TO WHISTLEBLOWER

- A. If any stakeholder raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available, provided that:
- i. The communication/ disclosure is made in good faith
 - ii. He/she reasonably believes that information and any allegations contained in it, are substantially true; and
 - iii. He/she is not acting for personal gain
 - iv. Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subjected to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals.

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

- B. The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed on any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.

Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.



8. ACCOUNTABILITIES – WHISTLEBLOWERS

- I. Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- II. Avoid anonymity when raising a concern.
- III. Follow the procedures prescribed in this policy for making a Disclosure
- IV. Co-operate with investigating authorities, maintaining full confidentiality
- V. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action
- VI. A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation
- VII. Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed
- VIII. In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Whistle Committee, he/she can make a direct appeal to the MD of the Company or the Audit Committee

9. ACCOUNTABILITIES – OMBUDSMAN AND WHISTLE COMMITTEE

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

10. RIGHTS OF A SUBJECT

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



11. MANAGEMENT ACTION ON FALSE DISCLOSURES

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

12. PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

The procedure as per Annexure will be followed.

13. ACCESS TO REPORTS AND DOCUMENTS

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

14. RETENTION OF DOCUMENTS

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

15. REPORTS

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

16. COMPANY'S POWERS

The Company is entitled to amend, suspend or rescind this policy at any time. Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed to or there may be ambiguity in the procedures. Such difficulties or



ambiguities will be resolved in line with the broad intent of the policy and the applicable Law. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance. The Audit Committee shall review the policy and its implementation on regular basis.



ANNEXURE

PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

1. How should a Disclosure be made and to whom?

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

However, Disclosures against any employee of HOD cadre or the Business Heads or the Executive Directors should be sent directly to the Chairman of Audit Committee of the Company on his email id: anoopca50@rediffmail.com.

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

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

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

In case of letters, the disclosure should be sealed in an envelope marked "Whistle Blower" and addressed to the Ombudsman or the Chairman, Audit Committee, depending on position of the person against whom disclosure is made.

3. What will happen after the Disclosure is submitted?

- a. The Ombudsman shall acknowledge receipt of the Disclosure as soon as practical (preferably within 04 days of receipt of a Disclosure), to the address provided by the Whistleblower.
- b. The Ombudsman will proceed to determine whether the allegations (assuming them to be true only for the purpose of this determination) made in the Disclosure constitute a Malpractice by discussing with the Executive Directors and MD of the Company (if required). If the Ombudsman unanimously determines that the allegations do not constitute a Malpractice, he/she will record this finding with reasons and communicate the same to the Whistleblower
- c. If the Ombudsman determines or any one member is of the opinion that the allegations constitute a Malpractice, he/she will proceed to investigate the Disclosure with the assistance of the Whistle Committee comprising of Senior



Level Officers of HR, Internal Audit, Finance and Legal. The Whistle Committee, if it deems fit can also take assistance of Head of the Department where the breach has occurred. If the alleged Malpractice is required by law to be dealt with under any other mechanism, the Ombudsman shall refer the Disclosure to the appropriate authority under such mandated mechanism and seek a report on the findings from such authority.

- d. If the Protected Disclosure has been made to the Chairman of the Audit Committee, he will proceed to investigate the matter with the help of MD, Ombudsman or Whistle Committee or any other officer as he deems fit.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. The investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access to systems and other information by the Ombudsman or Whistle Committee for the purpose of such investigation shall do so. Individuals with whom the Ombudsman or Whistle Committee requests an interview for the purposes of such investigation shall make themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.
- g. If the Malpractice constitutes a criminal offence, the Ombudsman will bring it to the notice of the Executive Directors & MD and take appropriate action including reporting the matter to the police. In other cases, the Ombudsman will take appropriate action against the culprit in consultation with the Whistle Committee.
- h. The MD of the Company may, at his/her discretion, participate in the investigations of any Disclosure.
- i. The Whistle Committee shall conduct such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the Ombudsman as soon as practically possible and in any case, not later than 90 days from the date of receipt of the Disclosure. The Ombudsman may allow additional time for submission of the report based on the circumstances of the case.
Whilst it may be difficult for the Ombudsman to keep the Whistleblower regularly updated on the progress of the investigations, he/she will keep the Whistleblower informed of the result of the investigations and its recommendations subject to any obligations of confidentiality.
- j. The Ombudsman will ensure action on the recommendations of the Whistle Committee and keep the Whistleblower informed of the same. Though no timeframe is being specified for such action, the Company will endeavor to act as quickly as possible in cases of proved Malpractice.



k. In case, the Whistle Blower is not satisfied with the investigation carried by the Whistle Committee, he can appeal to the Chairman of Audit Committee with all relevant details.

4. What should a Whistleblower do if he/she faces any retaliatory action or threats of retaliatory action as a result of making a Disclosure?

If anyone faces any retaliatory action or threats of retaliatory action as a result of making a Disclosure, he/she should inform the Ombudsman in writing immediately. Ombudsman will treat reports of such actions or threats as a separate Disclosure and investigate the same accordingly and may also recommend appropriate steps to protect the Whistle Blower from exposure to such retaliatory action and ensure implementation of such steps for your protection.

In case, the Whistle Blower is not satisfied with the resolution given by Ombudsman, he can appeal to the Chairman of Audit Committee with all relevant details.

**Sd/-
Chairman
Paul Merchants Limited
13.08.2024**

For & On Behalf of the Board

**Sd/-
(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)**

For & On Behalf of the Board

**Sd/-
(RITESH VAID)
WHOLE TIME DIRECTOR
(DIN 09433856)**

**PLACE: CHANDIGARH
Date: August 13, 2024**

**Annexure D-10****CERTIFICATE ON CORPORATE GOVERNANCE**

To

**The Members of
Paul Merchants Limited.**

We have examined the compliance of the conditions of Corporate Governance by Paul Merchants Limited (“the Company”) for the Financial Year ended 31st March, 2024, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as mentioned in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future



viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Date: 23.07.2024

Place: Chandigarh

UDIN: F005901F000805139

Sd/-

Kanwaljit Singh Thanewal

Company Secretary

M. No. 5901

C.P.No. 5870

Peer Review Cert No. 2319/2022



ANNEXURE D-11 TO THE DIRECTORS' REPORT

DETAILS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Rule	PARTICULARS		
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24	NAME OF DIRECTOR	RATIO
		Mr. Rajneesh Bansal	73:01
		Mr. Ritesh Vaid	05:01
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2023-24	NAME OF DIRECTOR/KMP	PERCENTAGE INCREASE
		Mr. Rajneesh Bansal, Managing Director	18.36%
		Mr. Ritesh Vaid ,Designated Director	16.13%
		Mr. Hardam Singh, Company Secretary	8.10%
		Mr. Rajesh Garg, Chief Financial officer (Resigned w.e.f. 9.11.2023)	N/a
		Mr. Naveen Kumar Laroia, Chief Financial Officer (Appointed w.e.f. 9.11.2023 and resigned on 12.08.2024)	N/a
(iii)	The percentage increase in the median remuneration of employees in the financial year.	13.00%.	
(iv)	The number of permanent employees on the rolls of the company.	402	
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration	Average increase made in salaries of employees other than the managerial personnel is 15.40% as compared to increase of 18.21% in salary of managerial personnel in the financial year under review. Remuneration of Mr. Rajneesh Bansal, Managing Director increased by 18.36%, which is commensurate with the duties and responsibilities shouldered by him in the capacity of Managing	



	and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Director. Remuneration of Mr. Ritesh Vaid, Whole Time Director increased by 16.13%. The remuneration of both the Whole Time Directors was duly approved by the Shareholders of the Company and also by the Board of Directors, Audit Committee and Nomination and Remuneration Committee. The increase in Managerial remuneration is in line with the market trends in the industry and as per performance of the Company. The increase in salaries of employees other than the managerial personnel in the financial year under review is also as per their own individual performance and the performance of the Company
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company
(vii)	The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules read with Section 197 (12) of the Act is given in Annexure D-11A , which forms part of this report.

Note:-

- (a) Median Remuneration has been calculated based on remuneration for full Financial Year.
- (b) For the purpose of arriving at %age increase in remuneration of Directors and KMPs, the remuneration actually paid to them for Financial Year under review has been taken.

For & On Behalf of the Board

**Sd/-
(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)**

For & On Behalf of the Board

**Sd/-
(RITESH VAID)
WHOLE TIME DIRECTOR
(DIN 09433856)**

PLACE: CHANDIGARH
Date: August 13, 2024



Annexure D-11A

Sr. No.	Information	Details	Details	Details	Details	Details
		1	2	3	4	5
1	Name of Employee	Rajneesh Bansal	Hardam Singh	Naveen Kumar Laroia	Ritesh Vaid	Pankaj Sharma
2	Designation of the Employee	Managing Director	Company Secretary cum Head (Legal)	Chief Financial Officer	Whole Time Designated Director	Vice President-Travel
3	Remuneration Received (Rs)	3,28,91,539	38,47,166	13,57,967	26,26,764	4,37,697
4	Nature of employment, whether contractual or otherwise	Contractual	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	MBA & 25 Years	FCS, MBA & 25 Years	CA & 33 Years	MBA & 23 years	PG & 23 Years
6	Date of commencement of employment	27-Feb-1999	02-Jun-2003	Appointed as Senior Vice President on 05-Jul-2023, appointed as CFO w.e.f. 09/11/2023 and resigned on 12/08/2024.	01-Oct-2008	22-Jan-2024
7	The age of such employee	50 Years	50 Years	60 Years	48 Years	48 Years
8	The last employment held by such employee before joining the company	Nil	Eider Infotech Ltd	Independent Financial Advisor	Wall Street Finance (P) Ltd	InterGlobe Aviation Limited (IndiGo)
9	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of rule 5(2)	28.62%	Nil	Nil	Nil	Nil
10	Whether any such employee is a relative of any director or manager of the company and if so,	Mr. Rajneesh Bansal is son of Mr. Sat Paul Bansal, who is Non Executive	No	No	No	No



	name of such director or manager:	Non independent Director and Chairman of the Company & Mrs. Sarita Rani Bansal, Non Executive Non independent Director of the Company.				
11	DOB	22-Jul-1974	21-Jun-1974	02- Mar-1964	15-Nov-1976	18-Sep-1976

Sr. No.	Information	Details	Details	Details	Details	Details
		6	7	8	9	10
1	Name of Employee	Ravi Barua	Neha Sachdeva	Puneet Kapoor	Ravi Kumar Rohilla	Sandeep Kumar Poonia
2	Designation of the Employee	Senior Vice President-Travel	Chief General Manager	Area Manager- Business Development	General Manager	General Manager
3	Remuneration Received (Rs)	23,28,516	7,38,096	13,56,519	15,10,267	15,37,746
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	B.A & 30 Years	CA & 12 Years	PGDBM & 14 Years	BA & 26 Years	BBA & 18 Years
6	Date of commencement of employment	9-Feb-21	01-Dec-2023	15-Oct-2018	7-Jun-2019	1-May-2019
7	The age of such employee	52 Years	40 Years	42 Years	48 Years	38 Years
8	The last employment held by such employee before joining the company	Book My Vacationz(PSA Rail Europe)	Paul Merchants Finance Pvt. Ltd., Roundglass wellbeing private limited	Matrix Cellular International Services Ltd.	Ebixcash World Money Limited	Matrix Forex Services Pvt. Ltd.
9	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of rule 5(2)	Nil	Nil	Nil	Nil	Nil
10	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	No	No	No	No	No



11	DOB	3-Sep-1972	05-Aug-1984	11-Nov-1982	1-Jan-1976	1-Jan-1986
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Sr.No	Information		
		11	12
1	Name of Employee	Pankaj Money Grover	Ritu Sharma
2	Designation of the Employee	Senior Zonal Manager	General Manager
3	Remuneration Received (Rs)	13,80,000	13,59,208
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent
5	Qualifications and experience of the employee	MSC & 21 Years	CA & 16 Years
6	Date of commencement of employment	01-Apr-04	22-Oct-07
7	The age of such employee	44 Years	42 Years
8	The last employment held by such employee before joining the company	Danik Jagran	This is her first employment
9	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of rule 5(2)	Nil	Nil
10	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	No	No
11	DOB	28-Aug-80	21-Sep-82

NOTE:

1. The above information is as on 31-03-2024



2. Remuneration shown above is on gross basis and is subject to tax and includes arrears, allowances, Perquisites, Commission, Incentives, Leave Encashment and Provident Fund. The Performance Bonus paid during the year under review, which actually pertains to the FY 2022-23 has been included in the figures of remuneration. Performance Bonus for the FY 2023-24 will be paid at the time of Diwali, 2024.
3. In addition to the remuneration shown above, reimbursement of some expenses actually spent by the employees in their official course of duties has been made to them as per Company policy.
4. During the Financial Year under review, there was no employee who, if employed throughout the financial year, was in receipt of remuneration in the aggregate, not less than one crore and two lakh rupees, except the Managing Director whose details have been furnished in the above table.
5. During the Financial Year under review, there was no employee who, if employed for a part of the financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Eight Lakhs and Fifty Thousand Rupees per month
6. During the Financial Year under review, there was no employee who, if employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

For & On Behalf of the Board

**Sd/-
(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)**

For & On Behalf of the Board

**Sd/-
(RITESH VAID)
WHOLE TIME DIRECTOR
(DIN 09433856)**

PLACE: CHANDIGARH

Date: August 13, 2024



ANNEXURE D-12 TO THE DIRECTORS' REPORT

FORM NO. AOC-1

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures**

Part "A": Subsidiaries

1	Sl. No.	1	2	3
2	Name of the subsidiary	Paul Merchants Finance Private Limited	PML Realtors Private Limited	Paul Infotech Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Different	Not Different	Not Different
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not applicable	Not applicable	Not applicable
5	Share capital	38,77,14,690	25,00,00,000	25,00,000
6	Reserves & surplus	238,46,41,171	2,09,62,008.19	(40,282)
7	Total assets	997,75,43,871	27,23,14,284.91	24,98,988
8	Total Liabilities	720,51,88,010	13,52,276.72	39,270
9	Investments	-	-	-
10	Turnover	164,83,04,782	-	-
11	Profit before taxation	39,59,00,854	40,42,515	(40,282)
12	Provision for taxation	9,05,61,168	10,70,418	0
13	Profit after taxation	30,53,39,686	29,72,096	(40,282)
14	Proposed Dividend	Nil *	Nil	-
15	% Shareholding	100%	100%	100%

Notes :

1. Names of Subsidiaries which are yet to commence operations - Paul Infotech Private Limited
2. Names of Subsidiaries which have been liquidated or sold during the year – NIL
3. * The Company declared an interim dividend of Rs. 2,32,62,881.40/- for the FY 2023-24



**Part "B" : Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to
Associate Companies and Joint Ventures**

There are no associates or Joint ventures of the Company during the financial year 2023-24

1. Names of associates or joint ventures which are yet to commence operations – NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year:- Nil

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified

For & On Behalf of the Board

**Sd/-
(RAJNEESH BANSAL)
MANAGING DIRECTOR
(DIN 00077230)**

**Sd/-
(RITESH VAID)
WHOLE TIME DIRECTOR
(DIN 09433856)**

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

**Sd/-
(SAKSHI)
CHIEF FINANCIAL OFFICER
FCA- 419986**

PLACE: CHANDIGARH

Date: August 13, 2024



Annexure D-13

CEO AND CFO CERTIFICATE

To

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

Date: 16.05.2024

Sub: Compliance Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby certify in terms of Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

- A.** We have reviewed Standalone as well Consolidated Financial Statements and the Cash Flow Statement for the Year ended 31.03.2024 and that to the best of our knowledge and belief:
- (1)** these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2)** these statements together present a true and fair view of Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.** There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such



internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

- (1)** Significant changes in internal control, if any, over financial reporting during the year;
- (2)** Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
- (3)** Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Naveen Kumar Laroiya

(Chief Financial officer)

PAN- AAWPLC8027C

Sd/-

Rajneesh Bansal

(Managing Director)

DIN-00077230



Annexure D-14

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Paul Merchants Limited** having CIN:L74900DL1984PLC018679 and having registered office at DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi-110015 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment In Company
1.	Shri. Sat Paul Bansal	00077499	08-06-2021
2.	Shri. Rajneesh Bansal	00077230	27-02-1999
3.	Smt. Sarita Rani Bansal	00094504	31-01-2012
4.	Shri. Dilbag Singh Sidhu [#]	05210193	26-02-2012
5.	Shri. Vigyan Prakash Arora [#]	00806647	01-04-2010
6.	Shri Ajay Arora [#]	00314161	27-05-2014
7.	Shri Inder Sain Negi	08947230	12-11-2020
8.	Shri Ritesh Vaid	09433856	10-02-2022
9.	Shri Jeewan Lal Negi [*]	09166359	08-06-2021



10.	Shri Bhupinder Singh	02152722	13-02-2024
11.	Shri Anoop Kumar Sharma	02296633	13-02-2024
12.	Shri Nirmal Chand^	10041305	13-02-2024

**Shri Jeewan Lal Negi ceased to be the Director of the company w.e.f. 27.12.2023.*

#Sh. Ajay Arora, Shri Vigyan Prakash Arora, and Shri Dilbag Singh Sidhu ceased to be Directors of the Company w.e.f. 31.03.2024 due to completion of their respective terms.

^Shri Nirmal Chand has since tendered his resignation from the post of Independent Director of the company w.e.f. 14.06.2024.

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

Date: 22.07.2024

Place: Chandigarh

UDIN: F005901F000796823

Sd/-

Kanwaljit Singh Thanewal

Company Secretary

FCS No.: 5901

C P No.: 5870

Peer Review Cert No. 2319/2022

**Annexure D-15****RAJIV GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS****S.C.O. 823-24, FF, Sector 22A,
Chandigarh, Phone: 0172-4644607
Email: rgaca91@gmail.com
Web: www.rgaca.org**

M/s Paul Merchants Limited
SCO 829-830,
Sector 22-A,
Chandigarh

FOR SUBMISSION TO RESERVE BANK OF INDIA

It is certified that on the basis of examination of the records of M/s Paul Merchants Limited, having its Corporate Office at SCO 829-830, Sector 22-A, Chandigarh and Concurrent Audit Reports and according to information and explanation given to us for the period from 1st April 2023 to 31st March, 2024, the Company has complied with Guidelines issued by Reserve Bank of India from time to time on KYC/AML/CFT.

It is also certified that the Internal Control of the company is satisfactory as per opinion in our report on Internal Control over Financial Reporting enclosed with the audited financial statements. Further we have also obtained copies of Concurrent Audit and Internal Audit of branches of the Company on test check basis and found the same to be satisfactory.

The above certificate is issued at the request of Company and we reiterate that our responsibility is restricted to performing test check procedure so as to obtain reasonable assurance regarding compliance with RBI Guidelines on KYC/AML/CFT and our opinion shall not be considered to be absolute assurance in this regard.

**For RAJIV GOEL AND ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 011106N**

Sd/-

**Place: Chandigarh
Date:- 20.05.2024****(CA HEMANI GARG)
PARTNER
M. No. 549610
UDIN: 24549610BKBGBV2096**



Annexure-D-16

KANWALJIT SINGH THANEWAL
B.Com, F.C.S. I.P.

GST: 04ADNPT2219E1ZO
COMPANY SECRETARY &
INSOLVENCY PROFESSIONAL
S.C.O. 64-65, 1ST FLOOR,
SECTOR-17A, MADHAY MARG,
CHANDIGARH- 160017
PH: (O) 0172-2701906, Mobile :
+91- 9915343212
E-MAIL: kanwalcs@gmail.com

Secretarial compliance report of Paul Merchants Limited for the year ended 31st March, 2024

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

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

for the year ended March 31, 2024 (“Review Period”) in respect of compliance with the provisions of:

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

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

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the review period.
- e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- Not Applicable to the company during the review period.
- f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021: Not applicable during the review period.
- g) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- h) Other regulations as applicable

and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the review period:



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

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										

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

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	Non-compliance with disclosure of related party transaction on consolidated basis	23(9)	Delay of one day in filing of disclosure	BSE India	Penalty imposed	The company has made delay of one day in the filing of Statement of Related Party Transactions for the half year ended 31.03.2022.	Rs. 17,700/-	Delay of one day in the filing of Statement of Related Party Transactions for the half year ended 31.03.2022.	The company has duly paid the fine imposed by BSE. Further, the Company has also filed an application for waiver of fine with the Fine Waiver Committee of BSE Limited <i>inter alia</i> on below grounds: - 1. The SEBI LODR (6 th Amendment) Regulations, which mandated filing of Statement of Related Party Transactions in terms of regulation 23(9) was effective from 01.04.2022, whereas the Statement in question was filed by the Company in	The appeal filed by the Company is still pending with BSE Ltd.



									<p>respect of transactions pertaining to the period prior to 01.04.2022. The position had been made more clear by BSE vide its Guidance Note issued by it on 25-04-2022, whereby vide answer to query no. 4, it made abundantly clear that Definitions/Provisions that are specifically mentioned to be effective from 01.04.2022, shall be applicable on transactions undertaken from 01.04.2022 onwards.</p> <p>2. The Exchange has taken the due date as 15 days from the date of Board Meeting, which is not as per the language of the Regulation, which prescribes the due date to be 15 days from the date of publication. It is important to note here that the word 'publication' has been used in the Listing Regulations as specifically referring to publication of the Financial Results in Newspapers and as such, there is no reason to interpret the word 'publication' to refer</p>	
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									to Board Meeting date. 3. Language of Sub regulation 6 of Regulation 23 also makes it clear when it reads as "The provisions of this regulation shall be applicable to all prospective transactions". The appeal filed by the Company is still pending with BSE Ltd.	
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i) I hereby report that, during the Review Period the compliance Status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/ No/ N.A)	Observations/ Remarks by PCS
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	Nil
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/ circulars/ guidelines issued by SEBI. 	Yes	Nil
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website. 	Yes	Nil
4.	Disqualification of Director:	Yes	Nil



	None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.		
5.	<p>Details related to Subsidiaries of listed entities have been examined w.r.t.:</p> <p>a. Identification of material subsidiary companies; b. Disclosure requirement of material as well as other subsidiaries</p>	Yes	Nil
6.	<p>Preservation of Documents:</p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	Nil
7.	<p>Performance Evaluation:</p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.</p>	Yes	Nil
8.	<p>Related Party Transactions:</p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee.</p>	Yes N.A	Nil Nil
9.	<p>Disclosure of events or information:</p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p>	Yes	Nil
10.	<p>Prohibition of Insider Trading:</p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	Yes	Nil
11.	<p>Actions taken by SEBI or Stock Exchange(s), if any:</p> <p>No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder (or) The actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges are specified in the last column.</p>	Yes	Nil
12.	<p>Resignation of Statutory Auditors from the listed entity or its material subsidiaries:</p>	N.A.	N.A.



	<p>In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and/ or its material subsidiaries has complied with paragraph 6.1 and 6.2 of section-D of Chapter V of the master Circular in compliance with the provisions of the LODR regulations by the listed entities.</p>		
13.	<p>Additional Non-compliances, if any:</p> <p>No additional non-compliance observed for any SEBI regulation/ circular/ guidance note etc except as reported above.</p>	Yes	Nil

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place: Chandigarh
 Date: 30.05.2024
 UDIN: F005901F000500670

Sd/-
 Kanwaljit Singh Thanewal
 Company Secretary
 FCS No.: 5901
 C P No.: 5870
 Peer Review Cert No. 2319/2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PAUL MERCHANTS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **PAUL MERCHANTS LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2024 (current period). These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Revenue Recognition</p> <p>The company holds licenses issued by Reserve Bank of India to act as Authorized Dealer Category II for providing foreign exchange services. The company derives its major revenue from sale and purchase of foreign exchange.</p> <p>The company has various branches spread throughout the country which deals in sale and purchase of foreign exchange. A customer can walk in to the branch and the currency is sold or purchased at the agreed upon rate after taking into consideration average buying rate of currency in hand and IBR (Inter-banking rate). The company collects the KYC documents, copy of VISA etc along with FORM A2 as prescribed by RBI while making sale of currency. The invoice is raised only after completion of all the norms prescribed by RBI.</p> <p>The company charges service charges as well as GST separately while raising invoice and service charges are being shown separately in the balance sheet.</p> <p>Therefore, revenue is recognized when the invoice is raised upon sale of foreign exchange as well as service charges received on the same.</p> <p>The company maintains its currency stock by purchasing the same either</p>	<p>Principal Audit Procedures Performed</p> <p>Our key audit procedures around revenue recognition included, and not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of and assessed the design, implementation and operating effectiveness of management's key internal financial controls in relation to revenue recognition; • Assessed the appropriateness of the revenue recognition accounting policies of the Company including those relating to variable consideration, by evaluating compliance with the applicable accounting standards. • Selected samples of revenue transactions during the year and assessed the Company's timing of revenue recognition; • Performed analytical review procedures on revenue recognized during the year to identify any unusual and/or material variances. • Tested selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognized in the appropriate financial period. Evaluated the appropriateness and adequacy of disclosures in the financial statements in respect of revenue recognition with the applicable standards.

	<p>from Retail customers or other AD dealers or licensed Full Fledged Money Changers.</p> <p>Recognition of revenue has been identified as a key audit matter due to the complexity and large volume of transactions generating revenue for the company, which results in increase in the risk of error in timing of revenue recognition. Since the company and its external stakeholders focus on revenue as a key performance indicator and therefore, there could be a risk of material misstatement in so far as revenue recognition is concerned.</p>	
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Information Other than the Standalone Financials Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and other connected reports forming part of the Annual Report of the Company but does not include the standalone financial statements and our auditor's report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements our responsibility is to read the other information identified above when it becomes available and in doing so consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the reports containing the other information if we conclude that there is a material misstatement therein we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's Responsibilities Relating to Other Information'.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Results

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles

generally accepted in India, including Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those

risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

During the financial year ended 31st March 2024, the Directorate of Enforcement (ED) has issued a show cause notice u/s 13 of the Foreign Exchange Management Act (FEMA) 1999 to the company calling upon to explain as to why the adjudication proceedings should not be initiated against the Company and its Principal Officer for violations under Regulation 10(5) of FEMA and provisions of RBI Master Direction-Know Your Customer Directions, 2016 for failing to conduct thorough due diligence before undertaking transactions of overseas remittances on behalf of certain Indian tour operators during the period from 6 September 2017 to 1 August 2018. Upon receipt of the notice, the Company has filed an application for compounding u/s 15 of FEMA, 1999 before the RBI and recognized a contingent liability equivalent to 0.5% of alleged contravention for possible payment of compounding fees based on the legal opinion sought by it.

The above remarks are on the basis of explanations provided to us by the management however our opinion on the accompanying financial results are not qualified to this extent.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies Auditor's Report Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143

of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
- c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d. In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
- e. On the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g. With respect to the other matters to be included in the Auditors' report in accordance with section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act; and

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our test checks, we did not come across any instance of audit trail feature being tampered with.
 - v. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - vi. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - vii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (v) and (vi) above contain any material mis-statement.

- viii. Based on the representations received by us and audit procedures conducted by us, the company has not declared any dividend during the year and the same is as per provisions of Section 123 of Companies Act, 2013.

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

Date: 16.05.2024
Place: CHANDIGARH

Sd/-
CA ROHIT GOEL
(PARTNER)
M. No. 091756
UDIN: 24091756BKHIWR6501

Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date on the financial statements of the Company for the year ended March 31, 2024:

(i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

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

(c) According to information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of company as at balance sheet date. The same includes the property at Mumbai whose carrying value as at 31st March 2024 amounted to Rs. 65.68 lakhs (Rs. 69.05 lakhs as on 31.3.2023) and in which case company has title to property in terms of agreement entered into with the developer however conveyance deed could not be executed till date due to board of the developer company being superseded as per procedure under IBC 2016. However, the company has represented that the agreement in question constitutes valid title deed and therefore our opinion in this regard is not qualified.

(d) According to information and explanations given to us, the company has not revalued its Property, Plant and Equipments or Intangible Assets or both during the year.

(e) According to information and explanations given to us, no proceedings have been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The management has conducted the physical verification of inventory at reasonable intervals and in our opinion the coverage of such physical verification was appropriate. Based on representations received by us, no material discrepancies were noticed on physical verification of the inventory as compared to books of accounts.

(b) That during the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on basis of security of current assets of the company. Based on our test check procedures and our understanding of materiality levels associated with relevant financial statement line items, no material disagreements between such quarterly statements and the books of accounts were observed by us.

(iii) (a) According to information and explanation given to us, the company has granted unsecured loan to its wholly owned Subsidiary Paul Merchants Finance Private Limited, covered in register maintained under section 189 of the Companies Act, 2013. The outstanding amount of Loan and interest thereon as on 31st March 2024 was Rs. 18990.62 lakhs (Rs. 23738.62 Lakhs as on 31.3.2023). Additionally, the company has also extended corporate guarantee to the extent of Rs. 55850 lakhs (Rs. 32840.00 Lakhs as on 31.3.2023) in respect of credit facilities availed by such subsidiary from banks and other financial institutions. Further the aggregate amount of assets of the company (as recognized in balance sheet as of 31.03.2024) mortgaged with respect to credit facilities availed by the subsidiary amounted Rs. 7194.43 lakhs (including book value of immovable properties amounting Rs. 4358.44 lakhs, book value of FDRs of Rs. 1075 lakhs and fair value of investments amounting Rs. 1760.99 lakhs as per audited balance sheet as of 31.03.2024). The comparative figure of assets pledged for credit facilities availed by the subsidiary stood at Rs. 6247.9 lakhs as on 31.3.2023.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, the aforesaid loans granted by the Company to the wholly owned subsidiary are for principal business activity of the subsidiary and thus the terms and conditions of the same are not prejudicial to the interest of the Company.

(c) With reference to stipulation of schedule of repayment of the principal and interest, interest is stipulated to be paid/accrued on monthly intervals whereas the loan is granted in form of working capital limit for 12 months and is subject to renewal after expiry.

(d) According to the information and explanations given to us and based on the audit procedures conducted by us, the above loan granted by the company to its wholly owned subsidiary was not overdue as on 31.3.2024.

(e) According to the information and explanations given to us and based on the audit procedures conducted by us, the abovementioned loan to wholly owned subsidiary has been renewed during financial year 2023-24 for further period of 12 months. The loan balance receivable as of 31.3.2024 stood at Rs. 18990.62 lakhs and comprises 100% of loans and advances granted during the year.

(f) According to the information explanation provided to us, the Company has not granted any loans and / or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. These remarks on the basis of our understanding that the abovementioned loan granted to the subsidiary is for a term of 12 months.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and securities as applicable.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules,2015 with regard to the deposits accepted from the public are not applicable.

(vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

(vii) (a) According to information and explanations given to us and on the basis of our examination of the books of accounts, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March31, 2024 for a period of more than six months from the date on which they become payable.

(b) According to the information and explanations given to us, following dues of income tax, GST, service tax, duty of customs, duty of excise, value added tax and other statutory dues remain outstanding as on 31.3.2024 on account of disputes:

Name of statute	Nature of dues	Amount (In Rs. Lakhs)	Period to which the amount relates/Order date	Remarks
Income Tax Act 1961	Demand arising on account of assessment order u/s 143(3) dt 30.5.2023	97.50 lakhs	FY 2014-15	This demand has arisen on account of assessment order passed by NFAC of the Income Tax department. The company has preferred an appeal against such demand before the CIT(A) which is pending as of date. The demand raised has however been adjusted in full against refunds due to company for FY 2022-23.
Chapter V of Finance Act 1994 (Service Tax)	Demand arising out of adjudication order dated 03.02.2009	670.84 lakhs	01.07.2003 to 30.06.2007	This demand relates to service tax liability of Rs 335.42 lakhs and equivalent penalty imposed on company. However, the matter has been decided in favour of company by Honble CESTAT. Thereafter, the service tax department has preferred appeal before Honble Punjab & Haryana High Court which remains pending as of date
FEMA 1999	Demand raised vide adjudication order dated 8.12.2022	24 lakhs	Adjudication order dated 8.10.2022	This demand pertains to penalty imposed by Directorate of Enforcement, Chandigarh Zone for violation of certain RBI guidelines while processing foreign remittances. The company had preferred appeal before SD (Appeals) and same has been dismissed and now the appeal has been filed before Hon'ble Appellate Tribunal. The appeal remains pending as of date.

FEMA 1999	Demand raised vide adjudication order dated 29.10.2020	540 lakhs	Adjudication order dated 29.10.2020	This demand pertains to penalty imposed by Directorate of Enforcement, South Regional Office on the company as well as its responsible person for non compliance with applicable regulations relating to sale of foreign currency travel cards. The company had preferred appeal before SD (Appeals) and same has been dismissed and now the appeal has been filed before Hon'ble Appellate Tribunal. The appeal remains pending as of date.
FEMA 1999	Demand raised against adjudication orders dated 30.03.2022	1.2 lakhs	3 adjudication orders dated 30.03.2022	This demand pertains to 3 separate orders passed by Directorate of Enforcement, Chennai whereby penalty of Rs 1.2 lakhs has been imposed on the company. The company has preferred appeal against such orders before SD (Appeals) which remains pending as of date.
FEMA 1999	Demand raised against adjudication orders dated 12.02.2020	4 Lakhs	Adjudication order dated 12.02.2020	This demand pertains to adjudication order passed by Directorate of Enforcement, Jaipur Zone whereby penalty of Rs 4 lakhs has been imposed on the company. The company has preferred appeal against such orders before SD (Appeals) which remains pending as of date.

The above is on the basis of information and relevant documents produced before us by the company.

(viii) According to information and explanations provided to us, there is no transaction that is not recorded in the books of account which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any lender.

(b) In our opinion and according to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the term loan of the company is being applied for the purpose it was taken for.

(d) In our opinion, funds raised for short term purposes are not being utilized for long term purposes.

(e) According to information shared with us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to information shared and explanations given to us, company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate company.

(x) (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term Loans during the year.

(b) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xi) (a) Based upon the enquiries conducted by us and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

(b) No report u/s 143(12) of Companies Act 2013 has been filed by the auditors.

(c) Based upon the enquiries conducted by us and the information and explanations given by the management, the company has not received any whistle blower complaints during the year.

(xii) The company is not a Nidhi Company and therefore provisions of clause 3(xii) of the order are not applicable to the company.

(xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and according to explanations and information received by us, the company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports were taken in consideration by us while finalizing our audit.

(xv) In our Opinion and according to information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them during the year. Hence, reporting requirement under Clause 3 (xv) of the Order is not applicable to the Company.

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

(b) In our opinion and explanations provided to us, the company has not conducted Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. The same is based upon our understanding that lending of money is not the principal business of the company and that the funds advanced during the year were only to wholly owned subsidiary for its business use.

(c) In our opinion and explanations provided to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the reporting requirements under clause 3 (xvi)(c) of the Order are not applicable.

(d) As per the information and explanations given to us, there are no core investment companies as defined in the regulations made by the Reserve Bank of India as part of its group and hence the reporting requirements under clause 3 (xvi)(d) of the Order are not applicable.

(xvii) Upon examination of the cash flow statement of the company, we have concluded that the company had not incurred any cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has not been any resignation by statutory auditor during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, no material uncertainty exists as on the date of the audit report that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) As per information shared with us by the management as well as per our audit procedures, the company has duly complied with CSR obligations and there is no unspent CSR amount at the end of the year.

(xxi) Upon examination of audit reports of companies whose financial statements have been consolidated with the company, there are no adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the said companies.

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

Sd/-
CA ROHIT GOEL
(PARTNER)
M. No. 091756
UDIN: 24091756BKHIWR6501

Date: 16.05.2024
Place: CHANDIGARH

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Paul Merchants Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Paul Merchants Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Date: 16.05.2024
Place: CHANDIGARH

Sd/-
CA ROHIT GOEL
(PARTNER)
M. No. 091756
UDIN: 24091756BKHIWR6501

PAUL MERCHANTS LIMITED
STANDALONE BALANCE SHEET AS ON 31ST MARCH 2024
CIN-L74900DL1984PLC018679

Amount in Rs. Lakhs

PARTICULARS	Note	As on 31.03.2024	As on 31.03.2023
ASSETS			
(1) Non-Current Assets			
a) Property, Plant and Equipment	1	6,037.20	5,669.36
b) Capital Work in Progress		-	-
c) Investment Property		-	-
d) Goodwill		-	-
e) Other Intangible Assets	1	41.61	46.13
f) Intangible Assets Under Development		-	-
g) Financial Assets			
i) Investments	2	21,564.02	16,576.27
ii) Others	3	53.16	53.16
h) Deferred Tax Assets (Net)	4	206.06	226.48
(2) Current Assets			
a) Inventories	5	816.51	561.38
b) Financial Assets			
i) Current Investments	6	2,167.93	2,376.54
ii) Trade Receivables	7	510.26	493.11
iii) Cash and Bank Balance	8	917.49	1,411.56
iv) Bank Balance other than iii above	9	1,214.11	314.88
v) Loans	10	18,990.62	23,738.62
vi) Others	11	543.27	156.94
c) Current Tax Assets	12	1,178.54	959.51
d) Other Current Assets	13	63.61	30.99
TOTAL		54,304.37	52,614.93
EQUITY AND LIABILITIES			
EQUITY			
Shri Laxmi Ji			
a) Equity Share Capital	14	308.40	102.80
b) Other Equity	15	47,317.99	44,931.97
LIABILITIES			
(1) Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	229.53	-
ii) Trade Payables		-	-
iii) Leased Liabilities	17	12.00	20.45
b) Provisions	18	275.80	222.84
(2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	19	1,112.62	1,951.06
ii) Trade Payables	20		
(A) total outstanding dues of micro enterprises and small enterprises;		0.32	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		606.84	168.97
iii) Other Financial Liabilities	21	1,486.80	1,290.91
b) Other Current Liabilities	22	1,975.05	2,979.66
c) Provisions	23	979.01	946.26
TOTAL		54,304.37	52,614.93
The accompanying accounting policies and notes form an integral part of the standalone financial statements.			
PLACE: CHANDIGARH Dated : 16.05.2024			
For & on Behalf of Board of Directors		AUDITOR'S REPORT:	
		As per our Separate Report of the Even Date	
SD/- RITESH VAID Whole Time Director DIN- 09433856 H. No. 17/2, Sigma City-1, Lohgarh Road, Zirakpur	SD/- RAJNEESH BANSAL Managing Director DIN-00077230 H. No. 749, Sec 8, Chandigarh	For RAJIV GOEL AND ASSOCIATES CHARTERED ACCOUNTANTS (FRN – 011106N)	
SD/- HARDAM SINGH Company Secretary FCS-5046 H. No. 12D, Angel Appt. Green Enclave, Zirakpur	SD/- NAVEEN K. LAROIYA Chief Financial Officer FCA-088257 H. No. 1102, Tower J, Victoria Heights Peer Muchalla,, Zirakpur	SD/- CA. ROHIT GOEL Partner (M. No. 091756) UDIN 24091756BKHIWR6501	

PAUL MERCHANTS LIMITED

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2024
CIN-L74900DL1984PLC018679**

Amount in Rs. Lakhs

PARTICULARS	Note	CURRENT YEAR 31.03.2024	PREVIOUS YEAR 31.03.2023
REVENUE			
I. Revenue from Operations	24	650,184.37	689,986.19
II. Other Income	25	2,819.76	2,183.12
III. Total Income (I+II)		653,004.13	692,169.31
IV. EXPENSES			
Purchase of Foreign Exchange and Services	26	635,758.96	676,288.18
Changes in Inventories of Stock in Trade	27	-255.13	-81.19
Direct Expenses	28	9,650.85	8,929.63
Office & Administrative Expenses	29	1,180.35	973.75
Employee Benefit Expenses	30	2,338.99	1,909.36
Finance Costs	31	171.48	104.17
Sales Promotion Expenses	32	280.61	309.22
Corporate Social Responsibility Expenses	33	54.14	39.24
Other Expenses	34	38.14	29.19
Depreciation & Amortization Expenses	1	271.97	171.87
TOTAL EXPENSES IV		649,490.36	688,673.42
V. PROFIT BEFORE EXCEPTIONAL ITEMS & TAX (III - IV)		3,513.77	3,495.88
VI. EXCEPTIONAL ITEMS		0.00	0.00
VII. PROFIT BEFORE TAX (V - VI)		3,513.77	3,495.88
VIII. TAX EXPENSE			
(1) Current Tax		873.32	858.05
(2) Prior Period Tax		0.54	76.87
(3) Deferred Tax	42	27.43	-37.44
IX. PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII - VIII)		2,612.48	2,598.40
X Profit/Loss from Discontinued Operations		0.00	0.00
XI Tax Expense of Discontinued Operations		0.00	0.00
XII PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X-XI)		0.00	0.00
XIII PROFIT/(LOSS) FOR THE PERIOD (IX+XII)		2,612.48	2,598.40
XIV OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined benefit obligations	35	-27.87	-23.73
(ii) Income tax relating to items that will not be reclassified to profit or loss	35	7.01	5.97
B (i) Items that will be reclassified to profit or loss		0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
XV TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV)		2,591.62	2,580.64
XVI EARNING PER EQUITY SHARE (FOR CONTINUING OPERATION)			
1) BASIC (Rs.)	39	84.71	84.25
2) DILUTED (Rs.)		84.71	84.25
XVII EARNING PER EQUITY SHARE (FOR DISCONTINUED OPERATION)			
1) BASIC (Rs.)		0.00	0.00
2) DILUTED (Rs.)		0.00	0.00
XVIII EARNING PER EQUITY SHARE (FOR CONTINUING & DISCONTINUED OPERATION)			
1) BASIC (Rs.)		84.71	84.25
2) DILUTED (Rs.)		84.71	84.25

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

PLACE: CHANDIGARH
Dated : 16.05.2024

For & on Behalf of Board of Directors

SD/-
RITESH VAID
Whole Time Director
DIN- 09433856
H. No. 17/2, Sigma City-1
Lohgarh Road, Zirakpur

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

SD/-
RAJNEESH BANSAL
Managing Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

SD/-
NAVEEN K. LAROIYA
Chief Financial Officer
FCA-088257
H. No. 1102, Tower J, Victoria
Heights Peer Muchalla,, Zirakpur

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

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

SD/-
CA. ROHIT GOEL
Partner
(M. No. 091756)
UDIN 24091756BKHIWR6501

PAUL MERCHANTS LIMITED
STATEMENT OF CHANGES IN EQUITY
CIN-L74900DL1984PLC018679

A Equity Share Capital

Particulars	For the year ended 31st March, 2024 Amount (Rs in Lakhs)	For the year ended 31st March, 2023 Amount (Rs in Lakhs)
Balance at the beginning of the reporting period	102.80	102.80
Changes in equity share capital during the year	205.60	0.00
Balance at the end of the reporting period	308.40	102.80

B Other Equity

Changes in other equity for the year ended 31st March, 2024

Particulars	Reserves and Surplus		Total
	Securities premium Account	Retained earnings	
Balance at the beginning of the current reporting period	50.40	44,881.57	44,931.97
Changes in accounting policy or prior period errors			
Restated balance at the beginning of the current reporting period			
Amount Utilized for Bonus Issue	(50.40)	(155.20)	(205.60)
Total Comprehensive Income for the current year		2,591.62	2,591.62
Dividends			
Transfer to retained earnings			
Balance at the end of the current reporting period	-	47,317.99	47,317.99

Changes in other equity for the year ended 31st March, 2023

Particulars	Reserves and Surplus		Total
	Securities premium Account	Retained earnings	
Balance at the beginning of the previous reporting period	50.40	42,300.93	42,351.33
Changes in accounting policy or prior period errors			
Restated balance at the beginning of the previous reporting period			
Total Comprehensive Income for the previous year	-	2,580.64	2,580.64
Dividends		-	-
Transfer to retained earnings		44,881.57	44,931.97
Balance at the end of the previous reporting period	50.40	44,881.57	44,931.97

PLACE: CHANDIGARH

Dated : 16.05.2024

For & on Behalf of Board of Directors

SD/-
RITESH VAID
Whole Time Director
DIN- 09433856
H. No. 17/2, Sigma City-1
Lohgarh Road, Zirakpur

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

SD/-
RAJNEESH BANSAL
Managing Director
DIN-00077230
H. No. 749,
Sec 8, Chandigarh

SD/-
NAVEEN K. LAROIYA
Chief Financial Officer
FCA-088257
H. No. 1102, Tower J, Victoria
Heights Peer Muchalla,, Zirakpur

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

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

SD/-
CA. ROHIT GOEL
Partner
(M. No. 091756)
UDIN 24091756BKHIWR6501

PAUL MERCHANTS LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31.03.2024

CIN-L74900DL1984PLC018679

Amount in Rs. Lakhs

PARTICULARS	CURRENT YEAR 31.03.2024	PREVIOUS YEAR 31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	3,513.77	3,495.88
Adjustment for:		
Depreciation	271.97	171.87
Impairment Loss on JV		
Share in liabilities of Malaysia JV		
Profit/Loss on Sale of Fixed Assets	(2.02)	(0.97)
Gain on Sale of Investments	(6.07)	(80.46)
Unrealized Gain on Sale of Investments	(29.15)	173.41
Finance Cost	171.48	104.17
Short Term Provisions	32.75	236.29
Long Term Provisions	52.96	44.06
Rental Income	(75.83)	(47.59)
Interest Income	(2,433.65)	(2,057.37)
Dividend Received	(233.09)	(140.02)
Other Comprehensive Income	(27.87)	(23.73)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	1,235.25	1,875.53
Adjustment for :		
Net changes in operating Assets & Liabilities		
Inventory	(255.13)	(81.19)
Trade receivable	(17.15)	(221.99)
Other Bank Balance	(899.23)	(82.41)
Current Tax Assets	(219.03)	(190.69)
Other Current Assets	(32.62)	(20.38)
Trade Payables	438.19	69.52
Increase in Other Financial Liabilities	195.88	370.30
Other Current Liabilities	(1,004.61)	1,171.55
CASH FROM/(USED IN) OPERATIONS	(558.44)	2,890.26
Income Taxes Paid	(873.86)	(934.92)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(1,432.30)	1,955.34
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	4.41	2.07
Purchase of Fixed Assets	(637.68)	(57.12)
Non Current Investments	(4,987.75)	40.40
Other Non Current Financial Assets	-	-
Current Investments	243.83	522.02
Short Term Loans & Advances	4,361.68	(5,312.36)
Decrease in Other Long Term Liabilities	(8.45)	12.00
Rental Income	75.83	47.59
Interest Income	2,433.65	2,057.37
Dividend Income	233.09	140.02
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	1,718.61	(2,548.01)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	205.60	-
Issue of Bonus Shares utilizing Security Premium	(50.40)	-
Issue of Bonus Shares utilizing Reserve & Surplus	(155.20)	-
Borrowings (Net of Repayments)		
Long Term Borrowings	229.53	-
Short Term Borrowings	(838.44)	999.74
Finance Cost	(171.48)	(104.17)
NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	(780.39)	895.58
Net Change in Cash & Cash Equivalents (A+B+C)	(494.07)	302.91
Cash and Cash equivalent at the beginning of the year	1,411.56	1,108.65
Cash and Cash equivalents at the end of the year	917.49	1,411.56

Place : Chandigarh.
Dated : 16.05.2024

For & on behalf of Board of Directors

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

SD/-
NAVEEN K. LAROIYA
Chief Financial Officer
FCA-088257
H. No. 1102, Tower J, Victoria
Heights Peer Muchalla,, Zirakpur

SD/-
RAJNEESH BANSAL
Managing Director
DIN-0007230
H. No. 749,
Sec 8, Chandigarh

SD/-
RITESH VAID
Whole Time Director
DIN- 09433856
H. No. 17/2, Sigma City-1
Lohgarh Road, Zirakpur

AUDITOR'S CERTIFICATE

We have examined the Cash flow Statement of Paul Merchants Limited for the year ended 31st March 2024. The Statement has been prepared by the Company in accordance with the requirements of Regulation 34(2c) of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 and is based on and in agreement with the corresponding Statement of Profit and Loss account and Balance Sheet of the Company covered by our report to the members of the Company

Place: Chandigarh
Dated : 16.05.2024

For **RAJIV GOEL AND ASSOCIATES**
CHARTERED ACCOUNTANTS
 (FRN – 011106N)
 SD/-
CA. ROHIT GOEL
 Partner
 (M. No. 091756)
 UDIN 24091756BKHIWR6501

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

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

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

Revised Schedule III to Companies Act, 2013 has been made applicable to the Company , changes made if any are in compliance to the same

The figures appearing in financial statement have been rounded off to nearest lakhs as per requirement of Schedule III to the Companies Act

B. Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets which have been measured at fair value and defined benefit plans which have been measured at actuarial valuations.

C. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

D. Property, Plant and Equipment (PPE)

The items of Property Plant & equipment are measured at Cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation (if any), less accumulated depreciation and impairment loss, if any. All costs, including financing costs, attributable to the fixed assets are capitalized.

The Company had opted to measure all its property, plant and equipment and intangible assets at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition to Ind AS.

E. Depreciation

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) in the manner prescribed in Schedule II to the Companies Act, 2013 over their remaining useful life on pro-rata basis.

F Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

G. Foreign Currency Transactions

- 1 Purchases and sales of foreign currencies and traveller's cheques are accounted at the contracted rates. Other transactions in foreign currencies are initially recognised at the rate at which the transaction is entered into. On settlement of such transactions the profit/loss arising from exchange differences is recognised in the Statement of profit and loss. Receipts of foreign exchange in money transfer are accounted on the prevalent bank conversion rate or forward contract rate as the case may be and the profit / loss arising from exchange differences is recognised in the Statement of profit and loss
- 2 Similarly all other Foreign Currency transactions have also been recorded at exchange rate prevailing on the date of the transaction.
- 3 Foreign Currency Fixed Deposits, Balances in Foreign Currency Bank Accounts and other Foreign Currency receivables or payables are valued at year end rates and gains/losses due to exchange rate differences have been adjusted in Profit & Loss Account

H. Investments

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

I. Inventories

Stock of Foreign Currency/TC held for trading purposes has been valued at cost. During the year Stock of shares has been treated as Current Investment and resultant Gain has been booked in Income

J. Cash and cash equivalents

Cash and cash equivalents Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value in accordance with IND AS 7. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

K. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of Foreign Exchange and Services. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

L. Employee Benefits

The entity makes contributions to statutory provident funds in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948. Provident Fund and ESI are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the fund.

Gratuity Liability as on 31st March 2024 has been provided for on basis of actuarial valuation basis Projected unit credit method in accordance with IND AS-19.

Leave encashment which are short term compensated absences are charged to profit and loss account of the year in which it is due.

M. Borrowing Costs

As per IND AS 23 Borrowing costs that are attributable to the acquisition or construction of qualifying assets (if any) are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

N. Forex Hedging Transactions

In respect of Forex hedging transactions, gains / losses on settlement and losses on restatement are recognized in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

**O. Provision for Current and Deferred Tax
Current income tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

P. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Q. Classification of Current / Non Current Assets

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to The Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has assumed its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities.

R. Leases

The Company has complied with IND AS 116 "Leases" applicable from 1 April 2019, and considered all material lease contracts existing on April 1, 2019. The Company has accounted for its short term leases and low value assets in accordance with para 6 of the IND AS. The cancellable leases are considered as short term leases therefore no right to use assets has been recognized as per exemption available under the IND AS 116.

S. FINANCIAL INSTRUMENTS

(i) Recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 1: PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS

PARTICULARS	Gross Block (Rs. in Lakhs)						Accumulated Depreciation (Rs. in Lakhs)					Net Block (Rs. in Lakhs)	
	Balance as at 1st April 2023	Additions	Disposals	Balance as at 31st Mar 2024	Balance as at 1st April 2023	Depreciation/ Amortization charge for the year	On disposals	Adjustments/ transfer to Held for Sale	Balance as at 31st Mar 2024	Balance as at 31st Mar 2023	Balance as at 31st Mar 2024		
Land	3,753.87	-	-	3,753.87	-	-	-	-	-	3,753.87	3,753.87		
Buildings	2,543.10	-	-	2,543.10	848.15	82.76	-	-	930.91	1,694.95	1,612.20		
Computers & Desktop	352.27	29.61	0.66	381.23	313.53	24.99	0.62	-	337.90	38.75	43.34		
Servers & Networks	80.52	-	-	80.52	76.07	0.31	-	-	76.37	4.45	4.15		
Furniture and Fittings	391.19	46.10	0.49	436.80	333.09	16.08	0.46	-	348.71	58.10	88.09		
Motor Cars	417.95	459.85	36.73	841.07	354.51	116.65	34.53	-	436.62	63.45	404.45		
Motor Cycles	1.22	-	-	1.22	0.56	0.17	-	-	0.73	0.65	0.48		
Office Equipments	141.47	23.45	0.11	164.82	120.51	11.20	0.10	-	131.60	20.96	33.21		
Electrical Installations & Equipments	169.07	77.66	2.23	244.50	143.61	13.05	2.10	-	154.55	25.46	89.95		
Plant & Machinery (Solar Power Plant)	24.20	-	-	24.20	17.35	1.24	-	-	18.59	6.85	5.61		
Leasehold Improvements	37.30	-	-	37.30	35.43	-	-	-	35.43	1.86	1.86		
Leasehold Improvements 3 Yrs	12.44	-	-	12.44	11.81	-	-	-	11.81	0.62	0.62		
Leasehold Improvements 5 Yrs	24.86	-	-	24.86	23.62	-	-	-	23.62	1.24	1.24		
Intangible Assets													
Amortization on Computer Software	54.45	1.00	-	55.45	8.32	5.53	-	-	13.84	46.13	41.61		
Intangible Assets Under Development													
Computer Software	-	-	-	-	-	-	-	-	-	-	-		
Capital Work in Process													
Total Current Year	7,966.62	637.68	40.22	8,564.08	2,251.13	271.97	37.83	-	2,485.27	5,715.49	6,078.81		
Total Previous Year	7,923.78	57.12	14.28	7,966.62	2,092.44	171.87	13.18	-	2,251.13	5,831.34	5,715.49		

* Land & Building at SCO 827-828, Chandigarh mortgaged with IICI Bank Limited and at # 749 Sector 8 Chandigarh & DSM 335-337, 346-347 DLF Delhi, Flat No. 2203, 22nd Floor, Wing C, DB Woods, Mumbai, Unit no A/303, 3rd Floor, Kanakia Zillion, Wing A, LBS Marg, Kuria(west), Mumbai, Shop No 3, UGF, 37, Cantt Road, Lucknow mortgaged with State Bank of India for OD limit taken by Wholly owned subsidiary - Paul Merchants Finance Private Limited. Property at Zirakpur is given as security against Short Term Loan from Bajaj Finance Ltd taken by Paul Merchants limited.

NOTES TO FINANCIAL STATEMENTS

Note 2: FINANCIAL ASSETS - NON CURRENT INVESTMENTS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
(i) Investments in Equity Shares (unquoted, fully paid up, at cost)		
Investments in Subsidiary		
Paul Merchants Finance Private Limited 3,87,71,469 Equity Shares having Face Value of Rs 10 each (Previous Year 3,10,17,175 Equity Shares having Face value of Rs 10 each)	19,039.02	14,076.27
PML Realtors Private Limited 2,50,00,000 Equity Shares having Face value of Rs 10 each (Previous Year 2,50,00,000 Equity Shares having Face value of Rs 10 each)	2,500.00	2,500.00
Paul Infotech Private Limited 2,49,999 Equity Shares having Face value of Rs 10 each .One share is held by Mr. Rajneesh Bansal as a nominee of Paul Merchants Limited.	25.00	-
Total	21,564.02	16,576.27

Note 3: OTHER FINANCIAL ASSETS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Advance against Property	70.88	70.88
Less: Provision for Expected credit Loss	-17.72	-17.72
Total	53.16	53.16

Note 4: DEFFERED TAX ASSETS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Opening Balances	226.48	183.06
Add/Less: Deferred Tax Assets created/(written back) during the year	-20.42	43.41
Total	206.06	226.48

Note 5: INVENTORIES

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Stock of Foreign Currency at Cost	795.70	540.57
Work in Progress*	20.81	20.81
Total	816.51	561.38

* Amount incurred towards Development of Travel Software for Sale.

Note 6: FINANCIAL ASSETS -CURRENT INVESTMENTS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Investments measured at Fair Value Through Profit & Loss		
Investment in Mutual Funds and Potfolio Investments Quoted at FVTPL		
HSBC LIQUIED FUND _ISIN-INF336L01BN7	5.33	4.97
Aditya Birla Sun Life Corporate Bond Fund	0.38	0.36
Axis Focused 25 Fund Direct Plan Growth	17.80	12.92
HDFC Small Cap Fund Direct Plan Growth	27.61	18.38
HDFC Equity Savings Fund Direct Plan Growth Folio	15.01	10.35
L&T Liquid Fund	-	-
L&T India Value Fund Direct Plan Growth	9.30	6.09
IDFC Fixed Term Plan Series 149 Direct Plan*	-	-
Kotak Standard Multicap Fund Direct Plan Growth	20.33	14.71
Mirae Asset India Equity Fund Direct Plan	18.94	14.78
ASK Investment Managers Limited -Domestic Resurgence PMS	53.35	40.27
ASK Investment Managers Limited IEP PMS A/C	48.74	36.99
HSBC ULTRA SHORT _ISIN-INF336L01OW1	8.22	7.68
L & T Ultra Short Term (G)	-	-
HDFC Ultra Short Term Fund-Regular Plan Growth	11.78	11.00
Aditya Birla Sunlife Liquid Fund INF209K01RU9	17.12	15.97
HDFC Liquid Fund _ 13393612/56	8.25	7.69
IDFC Money Manager Fund INF194K01LG9	12.65	11.83
Investments in Tax Free Bonds -Quoted at FVTPL- Pledged *		
7.03 % Housing and Urban Development Corporation Limited*	-	-
8.56 % Housing and Urban Development Corporation Limited*	248.38	252.25
8.48% India Infrastructure Finance Company Limited*	589.37	598.27
8.54% Power Finance Corporation Limited *	584.94	593.79
8.46 % Rural Electrification Corporation Limited Bond. *	223.94	227.34
6.70% IRFC 8 Marchch 2020	-	-
8.23% IRFC 18 Feb 24 *	-	53.05
Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Investments in Equity Shares- Quoted at FVTPL	3.60	2.49
Investments in Equity- Unquoted at FVTPL	0.09	0.08
Investments in Structured Entity - Unquoted at FVTPL		
India Real Estate Investment Fund	242.78	435.29
Total	2,167.93	2,376.54

*As on 31 March 2024 Tax free bonds Valued at Rs 1778.98 Lakh (Previous Year Rs 1826.31 lakh) are pledged with Kotak Bank, & ICICI Bank for Over Draft limits taken by Paul Merchants Finance Private limited (Wholly owned Subsidiary of the company) and Julius Baer Capital (India) Limited for Short term loan taken by Paul Merchants Limited amounting in all to Rs 4568.80 lakh (Rs. 2763.15 Lakh as on 31st March 2023).

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Aggregate Value of Quoted Investments	1,925.05	1,941.16
Aggregate Value of Unquoted Investments	242.87	435.37
Total	2,167.93	2,376.54

Note 7: FINANCIAL ASSETS- TRADE RECEIVABLES

Rs in Lakhs

Particulars	As at 31st Mar 2024							Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years			
Trade receivables								
(i) Undisputed Trade Receivables, considered good	411.06	38.34	7.42	0.00	0.62		457.44	
(ii) Undisputed Trade Receivables, considered doubtful	-	-	-	-	-		-	
(iii) Disputed Trade Receivables, considered good	-	-	-	0.63	31.15		31.78	
(iv) Disputed Trade Receivables, considered doubtful	-	-	-	-	24.12		24.12	
Less: Provision for doubtful debts					-3.08		-3.08	
	411.06	38.34	7.42	0.63	52.81		510.26	
Total	411.06	38.34	7.42	0.63	52.81		510.26	

Rs in Lakhs

Particulars	As at 31st Mar 2023							Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years			
Trade receivables								
(i) Undisputed Trade Receivables, considered good	422.14	8.40	1.25	6.86	1.63		440.29	
(ii) Undisputed Trade Receivables, considered doubtful	-	0.63	-	-	31.15		31.78	
(iii) Disputed Trade Receivables, considered good	-	-	-	-	24.12		24.12	
(iv) Disputed Trade Receivables, considered doubtful					-3.08		-3.08	
Less: Provision for doubtful debts					53.83		493.11	
	422.14	9.03	1.25	6.86	53.83		493.11	
Total	422.14	9.03	1.25	6.86	53.83		493.11	

Note 8: FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Cash and cash equivalents		
i) Cash in hand	128.58	215.22
ii) In Current Accounts	788.90	1,132.11
iii) Cheques/Draft in Hand	-	64.23
Total (A)	917.49	1,411.56

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

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Other Balances with Banks		
i) In Term Deposit Accounts with > 3 month and <12 months maturity	22.05	242.63
ii) In earmarked Term Deposit Accounts		
a. Pledged FD	-	-
b. Margin money	18.39	17.32
c. Guarantees & Other Commitments	5.35	4.23
d. For Overdraft Facility *	1,168.11	50.48
iii) In Unclaimed dividend accounts	0.22	0.22
Total (B)	1,214.11	314.88
Total (A) + (B)	2,131.60	1,726.44

* Fixed deposit Pledged with IDBI for Paul Merchants Limited overdraft facility & with RBL for OD & HDFC Bank for term loan facilities availed by Paul Merchants Finance Private Limited.

Note 10: FINANCIAL ASSETS - SHORT TERM LOANS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Loan to Related Party		
Unsecured, Considered Good		
Working capital limit to Paul Merchants Finance Pvt Ltd (Wholly Owned Subsidiary)	18,990.62	23,738.62
Total (A)	18,990.62	23,738.62

Note 11: FINANCIAL ASSETS - SHORT TERM ADVANCES

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Others		
Unsecured, Considered Good		
1. Advances to Other Parties (Net)	510.09	126.49
2. Security Deposits	30.71	30.77
3. Staff Imprest	2.46	(2.19)
4. Claims Recoverable	-	1.87
Total (B)	543.27	156.94
Total (A) + (B)	19,534	23,896

Disclosure pursuant to Note No. VIII (iv) of Division II of Schedule III to the Companies Act, 2013

Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other person or amount due by firms or private companies respectively in which any director is a partner or a director or a member are stated below:

Rs. in lakhs		
Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is also a director*	18,990.62	23,738.62
	18,990.62	23,738.62

* Working Capital Limit to Paul Merchants Finance P. Ltd. (wholly owned subsidiary)

Note 12: Current tax Assets

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Balances with government authorities		
a. GST Input Credit	46.25	3.71
b. Advance Tax	680.00	655.00
c. Tax Deducted at Source	352.42	289.06
d. Tax Collected at Source	4.40	-
e. Tax Refund	95.46	11.74
Total	1,178.54	959.51

Note 13: OTHER CURRENT ASSETS

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Prepaid expenses	25.21	30.99
Amount Recoverable	38.40	-
Total	63.61	30.99

Note 15: OTHER EQUITY

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
A. Securities Premium Account		
Opening Balance	50.40	50.40
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilized for Bonus issue	50.40	-
Closing Balance	-	50.40
B. Reserve and Surplus		
Opening Balance	44,881.57	42,300.93
(+) Profit for Current Year	2,612.48	2,598.40
(-) Utilized for Bonus Issue	155.20	-
Other Comprehensive Income/(loss) (net of tax)	(20.86)	(17.76)
Closing Balance	47,317.99	44,881.57
Total	47,317.99	44,931.97

Note 16: NON CURRENT FINANCIAL LIABILITIES: BORROWINGS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
SECURED		
A. Non-Current Maturities of Term Loans		
1. From Banks		
a. Car Loans from KOTAK MAHINDRA PRIME LTD. (Secured by Hypothecation of Cars)	46.71	-
b. Car Loans from HDFC (Secured by Hypothecation of Cars)	182.83	-
Total	229.53	-

Note 14: SHARE CAPITAL

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

Particulars	As at 31st Mar 2024		As at 31st Mar 2023	
	Number	Amount (Rs.in lakhs)	Number	Amount (Rs.in lakhs)
Authorised				
Equity Shares of Rs. 10 each	1,05,00,000	1,050.00	20,00,000	200.00
Issued, Subscribed & fully Paid up				
Equity Shares of Rs. 10 each fully paid (20,56,000 equity shares @ Rs 10 each issued by way of bonus issue in the ratio of 2 share for 1 share held)	30,84,000	308.40	10,28,000	102.80
Total	30,84,000	308.40	10,28,000	102.80

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

Particulars	Equity Shares			
	As at 31st Mar 2024		As at 31st Mar 2023	
	Number	Amount (Rs.in lakhs)	Number	Amount (Rs.in lakhs)
Shares outstanding at the beginning of the year	1,028,000	102.80	1,028,000	102.80
Bonus shares Issued during the year	2,056,000	205.60	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,084,000	308.40	1,028,000	102.80

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

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

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

Name of Shareholder (Mr./Mrs.)	Equity Shares				
	As at 31st Mar 2024		As at 31st Mar 2023		% Change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Sarita Rani Bansal	1,036,800	33.62	345,600	33.62	-
Rajneesh Bansal	882,759	28.62	294,253	28.62	-
Paul Excursions Pvt. Ltd.	307,065	9.96	102,355	9.96	(0.00)
Total	2,226,624	72.20	742,208	72.20	0.00

E. Shares in the company held by promoters

Name of Shareholder (Mr./Mrs.)	Equity Shares				
	As at 31st Mar 2024		As at 31st Mar 2023		% Change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Sarita Rani Bansal	1,036,800	33.62	345,600	33.62	-
Rajneesh Bansal	882,759	28.62	294,253	28.62	-
Sat Paul Bansal	75,720	2.46	5,240	0.51	1.95
Paul Excursions Pvt. Ltd.	307,065	9.96	102,355	9.96	-
Total	2,302,344	74.65	747,448	72.71	1.95

Note 17: LEASED LIABILITIES

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Deferred Income	1.34	2.01
Security deposits received (Fair valued through P & L)	10.66	18.44
Total	12.00	20.45

Note 18: LONG TERM PROVISIONS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Provision for employee benefits		
Gratuity - Unfunded	275.80	222.84
Total	275.80	222.84

CURRENT FINANCIAL LIABILITIES
Note 19: CURRENT FINANCIAL LIABILITIES - BORROWINGS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
A. SECURED		
Loans repayable on demand- From Banks		
(i) Cash Credit Facility from HDFC (CC) (Secured by Inventory and Debtors (future & current) and Hypothecation of one Property)	249.89	784.30
(ii) WCDL Facility from IDBI (Secured by Current Assets and Debtors (future & current) , Fixed deposit and Personal Guarantee of Directors)	604.00	992.26
(iii) Short Term Loan from Julius Baer Capital (India) P Ltd.(Secured by Bonds and Mutual Funds)	128.50	174.50
Current maturities of long-term debt		
a. Car Loans from KOTAK MAHINDRA PRIME LTD. (Secured by Hypothecation of Cars)	32.54	-
b. Car Loans from HDFC (Secured by Hypothecation of Cars)	97.69	-
Total	1,112.62	1,951.06

Note 20: FINANCIAL LIABILITIES - TRADE PAYABLES

Rs in Lakhs

Particulars	As at 31st-Mar 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Sundry Creditors	583.54	13.41	10.22	-	607.16
Sundry Creditors - Forex					
(i) MSME	149.12	12.15	7.64	-	168.90
(ii) Others	-	-	-	-	-
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Sundry Creditors - Travel					
(i) MSME	0.32	-	-	-	0.32
(ii) Others	434.10	1.26	2.58	-	437.94
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	583.54	13.41	10.22	-	607.16

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Rs in Lakhs

Particulars	As at 31st-Mar 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Sundry Creditors	155.87	10.47	2.64	-	168.97
Sundry Creditors - Forex					
(i) MSME	52.57	8.23	1.58	-	62.38
(ii) Others	-	-	-	-	-
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Sundry Creditors - Travel					
(i) MSME	103.30	2.24	1.05	-	106.59
(ii) Others	-	-	-	-	-
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	155.87	10.47	2.64	-	168.97

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2024. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Disclosure under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31st Mar 2024 (Rs.In lakhs)	As at 31st Mar 2023 (Rs.In lakhs)
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	NIL	NIL
(ii) The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act	NIL	NIL
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	NIL	NIL

Note 21: OTHER SHORT TERM FINANCIAL LIABILITIES

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
(a) Security deposits	3.20	3.20
(b) Statutory Payables		
(i) PF Payable	13.39	13.18
(ii) ESI Payable	0.79	0.80
(iii) TDS Payable	83.01	119.40
(iv) TCS Payable	201.62	169.60
(v) GST Payable	33.10	80.55
(c) Expenses Payable	772.30	410.70
(d) Unclaimed dividends	0.22	0.22
(e) Other payables	379.18	493.27
Total	1,486.80	1,290.91

Note 22: OTHER CURRENT LIABILITIES

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Revenue Received in Advance	1,975.05	2,979.66
Total	1,975.05	2,979.66

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

Particulars	As at 31st Mar 2024 Amount (Rs. In lakhs)	As at 31st Mar 2023 Amount (Rs.In lakhs)
Advance Received from Directors	NIL	NIL
Advance Received from relatives of Directors	NIL	NIL

Note 23: SHORT TERMS PROVISIONS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
(a) Provision for employee benefits	105.69	88.20
Gratuity - Unfunded	10.95	9.26
Leave Encashment	32.05	27.54
Bonus	62.70	51.41
(b) Others (Specify nature)		
Provision for Taxes	873.32	858.05
Total	979.01	946.26

Note 24: REVENUE FROM OPERATIONS

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Sale of Services		
Foreign Exchange	647,108.16	687,467.98
FX Service Charges	654.46	654.07
Sales of Hotel Bookings & Packages	335.86	408.01
Revenue from Air Ticketing	151.21	157.89
Revenue from Hotel Bookings & Packages	27.64	22.45
Revenue from Visa ,Bus Bookings, Railway	13.83	13.93
Total - Sale of Services	648,291.15	688,724.33
Other Operating Revenues		
Rewards & Incentives	48.12	38.40
-Travel Incentive	25.73	38.40
- Credit Card Incentive	22.40	-
Credit Card Encashment	44.18	44.56
Other Service charges	1,800.91	1,178.91
AD-1 Referral - Commission	1,528.64	1,120.47
Commission for Opening GIC Account in Foreign Banks	234.23	10.39
International Money Transfer- Commission	28.35	35.28
Domestic Money Transfer - Commission	9.70	12.77
Total - Other Operating Revenues	1,893.22	1,261.87
Total Revenue From Operations	650,184.37	689,986.19

Note : Previous Year's figures have been regrouped and re-arranged wherever required.

Note 25: OTHER INCOME

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
A. Interest Income		
1. Interest on Bank Deposits	52.32	5.50
2. Other Interest	2,381.33	2,051.87
- Paul Merchants Finance Pvt. Ltd.	2,186.76	1,871.80
- Tax free Bonds	128.05	132.91
- India real estate	63.53	44.47
- DLF ,Travel Staff loan etc. Others	3.00	2.69
3. Interest on Income Tax Refund	-	-
B. Dividend Income	233.09	140.02
C. Net Gain on Sale/Fair Valuation of investments	35.22	(92.94)
1. Realized Gain on Sale of investments	6.07	80.46
2. Net Unrealized gain/ (loss) on financial instruments at fair value through profit or loss	29.15	(173.41)
D. Other non-operating income	117.80	78.67
1. Rental Income	75.83	47.59
2. Profit on sale of Fixed Assets	2.02	0.97
3. Franchisee Fees	0.39	0.36
4. Miscellaneous Income	38.89	29.18
5. Fair Valuation gain on Financial Assets	0.67	0.56
Total	2,819.76	2,183.12

Note 26: Purchase of Foreign Exchange and Services

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Foreign Exchange	635,458.84	675,912.73
Hotel Bookings & Packages	300.12	375.46
Total	635,758.96	676,288.18

Note 27: Changes in Inventories of Stock in Trade

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Closing Stock of Foreign Exchange & Work in Progress	816.51	561.38
Opening Stock of Foreign Exchange	561.38	480.19
NET DECREASE/(INCREASE)	(255.13)	(81.19)

Note 28: DIRECT EXPENSES

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
COMMISSION AND INCENTIVES	9,650.85	8,929.63
Forex Agents - AD-2	8,775.35	8,345.18
Forex Agents - AD-1 Referral	774.93	582.30
Agent Commission for Referring Foreign Bank A/c	98.89	-
Travel agent	1.68	2.14
Total	9,650.85	8,929.63

Note 29: OFFICE & ADMINISTRATIVE EXPENSES

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Brokerage	-	3.00
Communication Expenses	41.07	36.22
Computer Expenses	69.02	54.62
Conference Expenses	38.67	21.06
Conveyance Expenses	33.03	28.07
Generator Running Expenses	1.13	0.75
Insurance	21.40	16.59
Legal, Professional & Outsourcing	122.24	127.69
Statutory Audit Fees	1.50	1.50
Tax Audit Fees	0.50	0.50
Postage & Telegram	17.42	13.60
Power and Water Expenses	46.61	48.23
Printing and stationery	25.04	31.47
Rates and taxes	31.44	29.21
Rent	247.72	233.69
Repairs and maintenance	273.41	172.84
Office maintenance	8.63	9.46
Security Services	25.09	21.23
Travelling Expenses	141.76	91.77
Vehicle Running & Maintenances	29.80	28.09
Portfolio Management Services	2.14	1.82
Office Expenses	2.75	2.31
<i>Call Centre Charges</i>	2.52	2.29
<i>News Paper & Periodicals</i>	0.23	0.23
Total	1,180.35	973.75

Note : Previous Year's figures have been regrouped and re-arranged wherever required.

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Payments to the auditor		
Statutory Audit Fees	1.50	1.50
Tax Audit Fees	0.50	0.50
For other Services	1.30	
Total	3.30	2.00

Note 30: EMPLOYEE BENEFIT EXPENSES

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Salaries & Employee Benefits	2,131.56	1,732.74
Salaries & Allowances	2,035.36	1,654.06
Bonus	63.10	50.73
Leave Encashment	33.10	27.96
Contributions to:		
(i) Provident Fund	75.91	63.93
(ii) ESI	7.74	7.85
(iii) NPS	3.21	1.65
Gratuity	46.18	37.30
Staff welfare expenses	74.39	65.89
Total	2,338.99	1,909.36

Note 31: FINANCE COSTS

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Interest Expenses:		
Interest on Demand Loans	92.12	21.72
Interest on Term Loans	15.86	43.05
Interest on Car Loans	23.43	-
Notional Interest on Security Deposit	0.67	0.56
Other Finance Expenses:		
Bank Charges	36.58	34.89
Credit Card Charges	2.82	3.96
Total	171.48	104.17

Note 32: SALES PROMOTION EXPENSES

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Advertisement & Publicity	178.49	185.57
Business Promotion	102.13	123.65
Total	280.61	309.22

Note 33: CSR- CORPORATE SOCIAL RESPONSIBILITY

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Gross Amount Required to be spent by the Co. During the Year	48.76	38.50
A) Amount Spent During the year	Amount Paid	Amount Paid
Promoting Healthcare	16.30	19.19
Employment enhancing Vocation skills	0.82	0.76
Promoting education	36.13	19.10
Administrative overheads (including Salary of one employee dedicated for CSR activities)	0.88	0.19
B) AMOUNT YET TO BE PAID	NIL	NIL
Total	54.14	39.24

Note 34: OTHER EXPENSES

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Donations	8.47	5.27
Gain/Loss on Exchange Rate Fluctualtion	-	7.06
Fees & Subscriptions	29.67	16.86
Total	38.14	29.19

Note 35: OTHER COMPREHENSIVE INCOME

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Remeasurement (Gain)Loss on defined benefit obligations	27.87	23.73
Income tax relating to above	(7.01)	(5.97)
Remeasurement Loss on defined benefit obligations (net of Tax)	20.86	17.76

Note 36. MANAGERIAL REMUNERATION

During the year the company incurred an expense towards managerial remuneration as detailed below:

Name of Director	Designation	For the Year ended 31st Mar 2024 Rs. in Lakhs	For the Year ended 31st Mar 2023 Rs. in Lakhs
Mr. Rajneesh Bansal	Managing Director	389.30	328.92
Mr. Dharam Pal Sharma	Whole Time Director resigned w.e.f 10.08.2022	0.00	3.79
Mr. Ritesh Vaid*	Designated Director	26.27	22.62
Total		415.57	355.32

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

Particulars	For the Year ended 31st Mar 2024 Rs. in Lakhs	For the Year ended 31st Mar 2023 Rs. in Lakhs
Profit Before Tax & Exceptional Items	3,513.77	3,495.88
Add: Managerial Remuneration	415.57	355.32
Add: Loss (Profit) on Sale of Fixed Assets	(2.02)	(0.97)
Add: Provision for Expected Credit Loss	-	-
Add: Notional Interest on SD	0.67	0.56
Less: Fair Value Gain on Financial Asset	(0.67)	(0.56)
Less: Profit on Sale of Investments	(6.07)	(80.46)
Add: Unrealized loss (Gain) on Investment	(29.15)	173.41
Net Profit for the Year	3,892.10	3,943.18

The Remuneration of Sh. Rajneesh Bansal, Managing Director had been approved by the Shareholders of the Company by way of Special Resolution passed in their Annual General Meeting held on 29.09.2020 and 29.09.2022, wherein the Shareholders had approved payment of the above remuneration irrespective of the Profits and even in the event of absence or inadequacy of profits in any financial year. Vide the said Special Resolution, the shareholders had further approved that the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013.

The Remuneration of Sh. Ritesh Vaid, Whole Time Director had been approved by the Shareholders of the Company by way of Special Resolution passed through Postal Ballot Process on 29.03.2022, wherein the Shareholders had approved payment of the above remuneration irrespective of the Profits and even in the event of absence or inadequacy of profits in any financial year. Vide the said Special Resolution, the shareholders had further approved that the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013.

Note 37. CONTINGENT LIABILITY NOT PROVIDED FOR

Particulars	As at 31st Mar 2024 Rs. in Lakhs	As at 31st Mar 2023 Rs. in Lakhs
Claims against company not acknowledged as Debt	15.92	16.37
Outstanding Bank Guarantees	120.00	40.43
Service Tax Demand Notice pending Departmental Appeal with High Court (excl. Interest) including Penalty	670.84	670.84
Corporate Guarantee in Respect of OD Limits taken by Paul Merchants Finance Private Limited Company from State Bank of India, AU Small Finance Bank, IDBI, Tata Capital Ltd., Capital Small Finance Bank, Cholamandalam Investment & Finance Co, Bajaj Finance Limited, Indian Overseas Bank, HDFC Bank, Catholic Syrian Bank, RBL Bank, Union Bank Of India & Federal Bank Ltd.	55,850.00	32,840.00
Income Tax Demand pending before CIT(A) A.Y. 2015-16	97.50	-
Demand by Enforcement Directorate	569.20	565.20
SCN u/s 10(5) of FEMA, 1999 from Enforcement Directorate *	141.79	-
Total	57,465.24	34,132.84

*During the financial year ended 31st March 2024, the Directorate of Enforcement, Chandigarh (ED) has issued a show cause notice u/s 13 of the Foreign Exchange Management Act (FEMA) 1999 to the company calling upon to explain as to why the adjudication proceedings should not be initiated against the Company and its Principal Officer for violations under Regulation 10(5) of FEMA and provisions of RBI Master Direction-Know Your Customer Directions, 2016 for failing to conduct thorough due diligence before undertaking transactions of overseas remittances on behalf of certain Indian tour operators during the period from 6 September 2017 to 1 August 2018. Upon receipt of the notice, the company has filed an application for compounding u/s 15 of FEMA, 1999 before the RBI and recognized a contingent liability equivalent to 0.5% of alleged contravention for possible payment of compounding fees based on the legal opinion sought by it.

Note 38. Joint Venture/Partnership Details

(Rs. in Lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Interest in JV (%)	Nil	Nil
Investment in JV	Nil	Nil
Less: Impairment Loss	Nil	Nil
Value of Capitalized Investment in JV	Nil	Nil
Proportional Interest in	Nil	Nil
- Assets	Nil	Nil
- Liabilities	Nil	Nil
Share of Income/(Loss) from JV	Nil	Nil
Expenditure Incurred	Nil	Nil

Note 39. Earnings per Share

(Rs. in Lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Earnings per Share- Continuing Operations		
Net Profit for the Year (Rs.)	2,612.48	2,598.40
Number of Equity Shares (Nos.)	30.84	10.28
Basic & Diluted EPS (Rs per Share)	84.71	84.25
Earnings per Share - Discontinued Operations		
Net Profit for the Year (Rs.)	-	-
Number of Equity Shares (Nos.)	30.84	10.28
Basic & Diluted EPS (Rs per Share)	-	-
Earnings per Share - Continuing and Discontinued Operations		
Net Profit for the Year (Rs.)	2,612.48	2,598.40
Number of Equity Shares (Nos.)	30.84	10.28
Basic & Diluted EPS (Rs per Share)*	84.71	84.25

* The EPS For the Financial year 2023-24 has been calculated after taking into accounts the issue of Bonus shares in the ratio of 2 for every one share held. The EPS of the previous year has been restated for comparison purposes.

Note 40. Employee BenefitsDisclosure on employee benefits with regard to defined benefit plans, as per *IND AS 19- Employee Benefits* is as below:

(Rs. in Lakhs)

Particulars of Defined Benefit Plan- Gratuity	As at 31st Mar 2024 Amount (Rs. in Lakhs)	As at 31 Mar 2023 Amount (Rs. in Lakhs)
Assumptions		
Discount rate	7.23% per annum	7.52% per annum
Rate of increase in Compensation levels	6.50% per annum	6.50% per annum
Rate of Return on Plan Assets Not Applicable Not Applicable	NA	NA
Change in Present Value of Obligations		
Opening of defined benefit obligations	232.09	186.53
Acquisition Adjustments (Transfer Out)		
Service cost	28.73	23.74
Interest Cost	17.45	13.56
Benefit Paid	-19.40	-15.47
Actuarial (Gain)/Loss on total liabilities	27.87	23.73
- due to change in financial assumptions	9.21	6.73
- due to change in demographic assumptions	-	-
- due to experience variance	18.67	17.00
Closing of defined benefit obligation/liability	286.74	232.09
The amount to be recognized in Statement of Assets and Liabilities		
Present Value of Obligations	286.74	232.09
Fair value of plan assets	-	-
Net defined liability/(asset) recognized in balance sheet	286.74	232.09
Expense recognized in Statement of profit and loss		
Service cost	28.73	23.74
Interest Cost	17.45	13.56
Expense recognized in Statement of profit and loss	46.18	37.30
Other Comprehensive Income		
Actuarial (Gain)/Loss on total liabilities	27.87	23.73

Note 41. Related Party Disclosures

(Disclosure as per Ind AS 24)

A. List of Related Parties

Name of Related Party	Relationship
Rajneesh Bansal	Managing Director
Sat Paul bansal	Chairman and Non Executive Director
Ritesh Vaid	Designated Whole Time Director
Rajesh Garg	Key Management Personnel- CFO resigned w.e.f 09.11.2023
Naveen Kumar Laroiya	Key Management Personnel- CFO w.e.f 09.11.23
Hardam Singh	Key Management Personnel- CS
Paul Merchants Finance Private Limited	Wholly Owned Subsidiary
Aastha Bansal	Relative of Director
Niraa Talent	Firm in which relative of director is partner
Bright Cove Goods	Firm in which relative of director is partner
Bosna Digital Entertainment Private Limited	Private Company in which relative of directors are directors and shareholders
Nikka Mal Babu Ram	Firm in which relative of director is partner
PML Realtors Private Limited	Wholly Owned Subsidiary
Surinder Bansal	Relative of Director
Paul E-commerce Private Limited	Private company in which directors of the company are Directors.
Divya Broadcasting Network Private Limited	Private Limited Company in which relatives of Directors are Directors and Shareholders
9X Media Private Limited	Private Limited Company in which relative of Director is Director
Paul Fincare Private Limited	Private Limited Company in which relatives of Directors are Directors and Shareholders
Paul Infotech Private Limited	Wholly Owned Subsidiary
Magical Vacation Travel & Tourism LLC	Limited Liability Corporation in which Managing Director of company is Partner & Manager

B. Related Party Transactions in Ordinary Course of Business		For the Year ended 31st Mar 2024				(Rs. In Lakhs)
Nature of Transaction	Directors	Key Management Personnel	Relative of Directors	Wholly Owned Subsidiary	Associate Company/Firm/Related Party Txn	Total
Managerial Remuneration - Whole Time Directors	415.57					415.57
Remuneration - KMPs		62.22				62.22
EMI From KMPs		1.48				1.48
Adv to KMP		4.00				4.00
Rent Paid for Premises	18.47					18.47
Rent Received				22.97	3.89	26.86
Net Service Charges Earned - Indo Nepal & DMT from Paul Merchants Finance Private Limited				9.70		9.70
Net additional working capital limit issued to Paul Merchants Finance Private Limited during the period				1,363.00		1,363.00
Net Repayment of working capital limit by Paul Merchants Finance Private Limited during the period				6,111.00		6,111.00
Investment in Equity				4,987.75		4,987.75
Interest earned from Paul Merchants Finance Private Limited on Working Capital limit				2,186.76		2,186.76
Reimbursement of legal expenses				18.15		18.15
Dividend Received				232.63		232.63
GST amount on account of the Corporate Guarantees given by PML on behalf of PMFPL				14.40		14.40
Gross value of Travel /FX Services rendered	35.54	0.20	10.48	271.77	13.55	331.55
Commission Paid for cross reference Sales				24.30		24.30
Commission paid for distributing travel products						-

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

(Rs. In Lakhs)

C. Related Party Outstanding Balance as on:		Directors	Key Management Personnel	Relative of Directors	Subsidiary	Related Party	Total
Nature of Transaction							
Balance as on 31st Mar 2024		-	-		18,990.62		18,990.62
Outstanding working capital limit to Paul Merchants Finance Private Limited							

Please refer to Note 1, 6 & 37 for details on Securities/Assets pledged and Corporate Guarantee given for Sanction of credit facility in Paul Merchants Finance Private Limited from Kotak Mahindra Bank Limited, ICI Bank Limited, State Bank of India, AU Small Finance Bank, IDBI, Tata Capital Ltd., Capital Small Finance Bank, Cholamandalam Investment & Finance Co, Bajaj Finance Limited, HDFC, Federal Bank Ltd. and Indian Overseas Bank

D. Loans and Advances in the nature of Loans granted to promoters, directors, KMP's, and related parties

Type of Borrower	Amount of loan or advances in nature of loan outstanding as on 31.03.2024	Percentage to total loans and advances in the nature of loans	Amount of loan or advances in nature of loan outstanding as on 31.03.2023	Percentage to total loans and advances in the nature of loans
Promoter	-		-	
Directors	-		-	
KMP's	-		-	
Related Parties (Subsidiary Company)	18,990.62	100%	23,738.62	100%

E. Transactions of the listed entity with Sh Rajneesh Bansal who belongs to the promoter/promoter group and hold(s) 10% or more shareholding in the listed entity

Nature of Transaction	For the FY 2023-24	For the FY 2022-23
Managerial Remuneration	389.30	328.92
Rent Paid for Premises	18.47	17.10
Sale of Goods/Services	15.39	9.37

F. Related Party Transactions in Ordinary Course of Business for the Previous Year ended 31st March 2023

Nature of Transaction	(Rs. In Lakhs)					
	Directors	Key Management Personnel	Relative of Directors	Wholly Owned Subsidiary	Related Party	Total
Managerial Remuneration - Whole Time Directors	355.32					355.32
Remuneration - KMPs*	17.10	50.50				50.50
Rent Paid for Premises	-	-			-	17.10
Rent Received	-	-		13.42	3.60	17.02
Net Service Charges Earned - Indo Nepal & Domestic Money Transfer from Paul Merchants Finance Private Limited	-	-		12.77		12.77
Net additional working capital limit issued to Paul Merchants Finance Private Limited during the year	-	-		5,257.00		5,257.00
Interest earned from Paul Merchants Finance Private Limited on Working Capital limit	-	-		1,871.80		1,871.80
Dividend Received	-	-		139.58		139.58
Gross value of Travel /FX Services rendered	9.37		138.36	207.60	87.42	442.75
Commission paid for referral of forex customers				29.23		29.23
Commission paid for distributing travel products				0.76		0.76

* includes reimbursements for helper and uniform expenses

G. Related Party Outstanding Balance as on 31 March 2023

	(Rs. In Lakhs)	
	As at 01.04.2023	As at 31.03.2024
Outstanding working capital limit to Paul Merchants Finance Private Limited	-	-
Paul Innovations LLP		23,738.62
		23,738.62

Note 42. Deferred Tax

(As per IND AS 12 Income taxes)

Deferred Tax Assets on Account of Timing Differences	(Rs. In Lakhs)		
	As at 01.04.2023	Arising During the Year	As at 31.03.2024
Depreciation	67.56	-29.55	38.01
Provision for Gratuity	58.41	13.75	72.17
Provision for Bonus & Commission	12.94	2.84	15.78
Provision for Leave encashment	0.00	0.00	0.00
Unrealized Loss on Investments	3.15	-3.15	0.00
Interest cost on Car Loan	0.00	-0.51	-0.51
Impairment Loss	84.42	0.00	84.42
Deferred Tax Liability			
Unrealized Gain on Investments	0.00	-3.81	-3.81
Net Deferred Tax Asset	226.48	-20.42	206.06

Note 43. Segment Reporting

As per IND AS-108 on Segment Reporting, segment Information is provided below:

Amount in Rs. Lakhs

Sr. No	PARTICULARS	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
1	Segment Revenue		
(a)	Forex	649,592.46	689,297.84
(b)	Travel	554.26	640.67
(c)	Others	38.04	48.05
	Total	650,184.76	689,986.56
	Less: Inter Segment Revenue		
(a)	Forex	-	-
(b)	Travel	-	-
(c)	Others	-	-
	Net sales/Income From Operations	650,184.76	689,986.56
2	Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#		
(a)	Forex	1,634.93	1,819.63
(b)	Travel	-20.16	47.96
(c)	Others	14.65	28.95
	Total	1,629.43	1,896.54
	Less:		
i)	Interest	171.48	104.17
ii)	Other Un-allocable Expenditure net off	763.55	479.25
iii)	Un-allocable income	2,819.37	2,182.75
	Total Profit Before Tax	3,513.77	3,495.88
3	Segment Assets		
(a)	Segment - Forex	2,711.09	2,772.02
(b)	Segment - Travel	699.20	506.15
(c)	Segment - Others	-	-
(d)	Unallocated Assets	50,894.08	49,336.76
	Total	54,304.37	52,614.93
4	Segment Liabilites		
(a)	Segment - Forex	2,484.97	2,464.46
(b)	Segment - Travel	454.90	136.09
(c)	Segment - Others	-	-
(d)	Unallocated Liabilities	3,738.10	4,979.60
	Total	6,677.98	7,580.15
5	Capital Employed		
(a)	Forex	226.12	307.56
(b)	Travel	244.29	370.06
(c)	Others	-	-
(d)	Unallocated Assets	50,894.08	49,336.76
(e)	Unallocated Liabilities	3,738.10	4,979.60
	Total	47,626.39	45,034.77

Note : Previous Year's figures have been regrouped and re-arranged wherever required.

Note 44. Financial Ratios

Particulars	As at 31st Mar 2024	As at 31st Mar 2023	% Change during the year	Numerator	Denominator	Reasons for change
(a) Current Ratio	4.29	4.09	4.66	Current Assets	Current Liabilities	Current liabilities decreased compared to last year mainly due to decrease in advance from customers and borrowings balance at the year end
(b) Debt - Equity Ratio	2.82%	4.33%	-34.95	Borrowings	Equity	Borrowings decreased at year end
(c) Debt Service Coverage Ratio	11.50	43.41	-73.51	Profit after tax, before depreciation & interest	Interest Expense+Principal amount of current maturities of long term debts	Interest cost increased due to new loan from Kotak & HDFC
(d) Return on Equity Ratio	5.49%	5.77%	-4.93	Profit after tax	Equity	
(e) Inventory turnover Ratio	82.92	157.76	-47.44	Purchases of Currency	Average Inventory of currency	Purchases reduced as compared to previous year
(f) Trade Receivables turnover Ratio	5.43	5.40	0.55	Credit sales during the year	Average Trade Receivables	
(g) Trade payables turnover Ratio	5.00	3.95	26.40	Credit purchase during the year	Average Trade Payable	Credit purchase increased as compared to previous year
(h) Net Capital turnover ratio	32.12	30.39	5.71	Revenue from operations	Working Capital (CA-CL)	
(i) Net profit Ratio	0.40%	0.38%	6.57	Profit after tax	Total Income	
(j) Return on Capital employed	7.45%	7.59%	-1.78	EBIT	Capital Employed	
(k) Return on investment	6.20%	4.92%	26.14	Interest & dividend income from investments & Loans	Current & Non current investment & Loans	Dividend income from Paul Merchants Finance Private Limited has increased.

Note 45. Other Notes

- a Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.
- b The previous Year figures have been regrouped/re-classified/re-stated wherever necessary to conform with the current presentation.
- c Notes form integral part of Accounts for the year ending 31st March 2024
The company has availed finance facilities from banks and other financial institutions against security of current assets and the quarterly statements submitted to bank in respect of the same are in agreement with the books of accounts. Further all banking facilities obtained by the company during the year have been utilised for the specified purposes only. All charges in respect of the finance facilities have also been duly registered with the Registrar of Companies within specified time under the Companies Act 2013.
- d The company confirms that title deeds of all immovable properties accounted in the financial statements are held in name of the company. No proceedings are pending against the Company for holding any Benami property under the Benami Property (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- e The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- f The company does not have any transaction with the Strike Off Companies in the Financial Year.
- g No registration or satisfaction of charges are pending to be filed with ROC.
- h There are no undisclosed income / transactions which has been surrendered during the year as per income tax act, 1961
- i The company has not traded or invested in crypto currency or virtual currency during the financial year.
- j There is no scheme of Amalgamation/Merger is approved by Court/NCLT, as no such case for Amalgamation/Merger related to company is pending before any Court/NCLT.
- k Additional information pursuant to Schedule III Division II part I & II of the Companies Act. 2013 other than stated above is either NIL or Not Applicable.

PLACE: CHANDIGARH

Dated : 16.05.2024

For & on Behalf of Board of Directors

SD/-

RITESH VAID

Whole Time Director

DIN- 09433856

H. No. 17/2, Sigma City-1

Lohgarh Road, Zirakpur

SD/-

RAJNEESH BANSAL

Managing Director

DIN-00077230

H. No. 749,

Sec 8, Chandigarh

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

For RAJIV GOEL AND ASSOCIATES

CHARTERED ACCOUNTANTS

(FRN – 011106N)

SD/-

HARDAM SINGH

Company Secretary

FCS-5046

H. No. 12D, Angel Appt.

Green Enclave, Zirakpur

SD/-

CA. ROHIT GOEL

Partner

(M. No. 091756)

UDIN 24091756BKHIWR6501

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PAUL MERCHANTS LIMITED

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **PAUL MERCHANTS LIMITED** ("The Company") and its subsidiaries (Paul Merchants Finance Private Limited, PML Realtors Private Limited and Paul Infotech Private Limited) (the Company and its subsidiaries referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, of the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe

that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Revenue Recognition</p> <p>The holding company holds licenses issued by Reserve Bank of India to act as Authorized Dealer Category II for providing foreign exchange services. The company derives its major revenue from sale and purchase of foreign exchange.</p> <p>The company has various branches spread throughout the country which deals in sale and purchase of foreign exchange. A customer can walk in to the branch and the currency is sold or purchased at the agreed upon rate after taking into consideration average buying rate of currency in hand and IBR (Inter-banking rate). The company collects the KYC documents, copy of VISA etc along with FORM A2 as prescribed by RBI while making sale of currency. The invoice is raised only after completion of all the norms prescribed by RBI.</p> <p>The company charges service charges as well as GST separately while raising invoice and service charges are being shown separately in the balance sheet.</p> <p>Therefore, revenue is recognized when the invoice is raised upon sale of foreign exchange as well as service charges received on the same.</p>	<p>Principal Audit Procedures Performed</p> <p>Our key audit procedures around revenue recognition included, and not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of and assessed the design, implementation and operating effectiveness of management's key internal financial controls in relation to revenue recognition; • Assessed the appropriateness of the revenue recognition accounting policies of the Company including those relating to variable consideration, by evaluating compliance with the applicable accounting standards. • Selected samples of revenue transactions during the year and assessed the Company's timing of revenue recognition; • Performed analytical review procedures on revenue recognized during the year to identify any unusual and/or material variances. • Tested selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognized in the appropriate financial period. Evaluated the appropriateness and adequacy of disclosures in the financial

	<p>The company maintains its currency stock by purchasing the same either from Retail customers or other AD dealers or licensed Full Fledged Money Changers.</p> <p>Recognition of revenue has been identified as a key audit matter due to the complexity and large volume of transactions generating revenue for the company, which results in increase in the risk of error in timing of revenue recognition. Since the company and its external stakeholders focus on revenue as a key performance indicator and therefore, there could be a risk of material misstatement in so far as revenue recognition is concerned.</p>	<p>statements in respect of revenue recognition with the applicable standards.</p>
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Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

The Holding Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder’s Information, but does not include the consolidated financial statements, standalone financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance under SA 720 ‘The Auditor’s responsibilities Relating to Other Information’.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its subsidiaries and joint ventures in accordance with Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- ❖ Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its subsidiaries and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ❖ Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ❖ Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements

for the year ended March 31, 2024 (current year) and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a) During the financial year ended 31st March 2024, the Directorate of Enforcement (ED) has issued a show cause notice u/s 13 of the Foreign Exchange Management Act (FEMA) 1999 to the company calling upon to explain as to why the adjudication proceedings should not be initiated against the Company and its Principal Officer for violations under Regulation 10(5) of FEMA and provisions of RBI Master Direction-Know Your Customer Directions, 2016 for failing to conduct thorough due diligence before undertaking transactions of overseas remittances on behalf of certain Indian tour operators during the period from 6 September 2017 to 1 August 2018. Upon receipt of the notice, the Company has filed an application for compounding u/s 15 of FEMA, 1999 before the RBI and recognized a contingent liability equivalent to 0.5% of alleged contravention for possible payment of compounding fees based on the legal opinion sought by it.

The above remarks are on the basis of explanations provided to us by the management however our opinion on the accompanying financial results are not qualified to this extent.

- b) During the year, a contingent liability of Rs.30.5 Lakhs, disclosed in audited financials for FY 2022-23 of the wholly owned subsidiary, Paul Merchants Finance Pvt Ltd has been paid in full by the said subsidiary upon receipt of final penal order of the RBI under Para 9.1(ii)(d) of the Master Directions on PPIs dated Aug 27,2021. The same is disclosed as an extraordinary item in the consolidated financial results of the company. Our conclusion on the consolidated financial results is not modified in respect of the above matter.
- c) We did not audit the financial statements/ financial information of the Wholly owned subsidiary, PML Realtors Private Limited whose financial results include total assets of Rs

- d) 2723.14 Lakhs as at March 31, 2024, total revenues of Rs NIL, total net profit after tax of Rs.29.72 lakhs for the year ended on that date and net cash inflows of Rs. 26.06 lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors. The independent auditor's report on the financial results/information of this subsidiary has been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of the said subsidiary is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements /financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report, to the extent applicable that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.;
 - b. In our opinion proper books of account as required by law for preparation of aforesaid Consolidated Financial Statements have been kept by the Company and its subsidiaries so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the

relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements;

- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India, none of the directors of the Group companies are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us by the management, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the financial position of the Group.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. Based on our examination which included test checks performed by us in case of holding company and its 2 wholly owned subsidiaries and based on report of the auditor of another wholly owned subsidiary, the company and its subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our test checks, we did not come across any instance of audit trail feature being tampered with.
- v. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- vi. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- vii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (v) and (vi) above contain any material mis-statement.
- viii. Based on the representations received by us and audit procedures conducted by us, the company has not paid dividend during the year. However, dividend of Rs. 2,32,62,881/- has been paid by the wholly owned subsidiary, Paul Merchants Finance Pvt Ltd to the holding company during the year.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report on consolidated financial statements, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and by us and other auditors for its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in such CARO reports.

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

Date: 16.05.2024
Place: CHANDIGARH

Sd/-
ROHIT GOEL
(PARTNER)
M. No.091756
UDIN: 24091756BKHIWO2723

“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of Paul Merchants Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Paul Merchants Limited (“the Company”) and its Subsidiaries (Paul merchants Finance Private Limited, PML Realtors Private Limited and Paul Infotech Private Limited) as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Company and its subsidiary companies.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its Indian Subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to subsidiary company, PML Realtors Limited, is based on the corresponding reports of the auditors of such subsidiary company incorporated in India.

Date: 16.05.2024
Place: CHANDIGARH

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

Sd/-
ROHIT GOEL
(PARTNER)
M. No.091756
UDIN: 24091756BKHIWO2723

PAUL MERCHANTS LIMITED
CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2024
CIN-L74900DL1984PLC018679

Amount in Rs. Lakhs

PARTICULARS	Note	As on 31.03.2024	As on 31.03.2023
ASSETS			
(1) Non-Current Assets			
a) Property, Plant and Equipment	1	7,130.94	6,613.05
b) Capital Work in Progress	1	25.25	14.91
c) Investment Property		0.00	0.00
d) Goodwill		0.00	0.00
e) Other Intangible Assets	1	41.61	46.13
f) Intangible Assets Under Development	1	0.00	69.70
g) Biological Assets other than bearer plants		0.00	0.00
h) Financial Assets			
i) Investments	2	0.00	0.00
ii) Trade Receivables		0.00	0.00
iii) Loans		0.00	0.00
iv) Others	3	66.20	66.20
i) Deferred Tax Assets (Net)	4	288.82	251.76
j) Other Non-Current Assets			
(2) Current Assets			
a) Inventories	5	1,492.50	1,237.37
b) Financial Assets			
i) Current Investments	6	2,167.93	2,376.54
ii) Trade Receivables	7	552.08	493.11
iii) Cash and Bank Balance	8	2,506.55	2,223.27
iv) Bank Balance other than iii above	9	1,596.61	600.50
v) Loans	10	96,983.06	72,101.85
vi) Others	11	1,067.27	640.26
c) Current Tax Assets	12	1,340.69	1,991.00
d) Other Current Assets	13	373.20	260.71
TOTAL		115,632.71	88,986.36
EQUITY AND LIABILITIES			
EQUITY			
Shri Laxmi Ji			
a) Equity Share Capital	14	308.40	102.80
b) Other Equity	15	56,211.75	50,973.78
LIABILITIES			
(1) Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	14,712.71	9,875.92
ii) Trade Payables		0.00	0.00
iii) Other Financial Liabilities	16A	13.00	20.45
b) Provisions	17	378.59	290.55
(2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	18	34,564.82	20,843.98
ii) Trade Payables	19		
(A) total outstanding dues of micro enterprises and small enterprises;		44.39	36.09
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		677.76	206.07
iii) Other Financial Liabilities	20	5,390.38	1,772.96
b) Other Current Liabilities	21	1,975.05	2,979.66
c) Provisions	22	1,355.86	1,884.09
d) Current Tax Liabilities(Net)		0.00	0.00
TOTAL		115,632.71	88,986.36

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

PLACE: CHANDIGARH
Dated : 16.05.2024

For & on Behalf of Board of Directors

SD/-
RITESH VAID
Whole Time Director
DIN- 09433856
H.NO. 17/2, Sigma City-1
Lohgarh Road, Zirakpur

SD/-
HARDAM SINGH
Company Secretary
FCS-5046
H.NO. 12D, Angel Appt.
Green Enclave, Zirakpur

SD/-
RAJNEESH BANSAL
Managing Director
DIN-00077230
H.NO. 749
Sec 8, Chandigarh

SD/-
NAVEEN K. LAROYA
Chief Financial Officer
FCA-088257
H.No.1102 Tower j, Victoria Heights
Peer Muchalla, Zirakpur

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

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

SD/-
CA. ROHIT GOEL
Partner
(M. No. 091756)
UDIN 24091756BKHIW02723

PAUL MERCHANTS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2024
CIN-L74900DL1984PLC018679

Amount in Rs. Lakhs

PARTICULARS	Note	CURRENT YEAR 31.03.2024	PREVIOUS YEAR 31.03.2023
REVENUE			
I Revenue from Operations	23	666,657.64	701,100.28
II Other Income	24	603.70	180.26
III Total Income (I+II)		667,261.34	701,280.54
IV. EXPENSES			
Purchase of Foreign Exchange, stock and Services	25	635,758.96	676,913.11
Changes in Inventories of Stock in Trade	26	-255.13	-650.17
Direct Expenses	27	9,667.50	9,093.90
Office & Administrative Expenses	28	3,503.52	2,640.66
Employee Benefit Expenses	29	5,735.77	4,301.16
Finance Costs	30	4,260.45	2,017.53
Sales Promotion Expenses	31	498.65	480.33
Corporate Social Responsibility Expenses	32	123.01	90.86
Other Expenses	33	53.56	29.19
Depreciation	1	604.38	393.22
TOTAL EXPENSES IV		659,950.67	695,309.80
V. PROFIT BEFORE EXCEPTIONAL ITEMS & TAX (III - IV)		7,310.67	5,970.75
VI. EXCEPTIONAL ITEMS	34 A	30.50	8.54
VII. PROFIT BEFORE TAX (V - VI)		7,280.17	5,962.21
VIII. TAX EXPENSE			
(1) Current Tax		1,870.27	1,513.27
(2) Prior Period Tax		-21.99	75.60
(2) Deferred Tax	40	-30.67	-26.39
IX. PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII - VIII)		5,462.56	4,399.73
X Profit/Loss from Discontinued Operations		0.00	0.00
XI Tax Expense of Discontinued Operations		0.00	0.00
XII PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X-XI)		0.00	0.00
Share of Profit (Loss) of associates and joint ventures accounted for using equity method	37	0.00	1.44
XIII PROFIT/(LOSS) FOR THE PERIOD (IX+XII)		5,462.56	4,401.17
XIV OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined benefit obligations	34 B	-25.38	-18.34
(ii) Income tax relating to items that will not be reclassified to profit or loss	34 B	6.39	4.62
B (i) Items that will be reclassified to profit or loss		0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
XV TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV)		5,443.57	4,387.44
Profit or loss, attributable to:			
Owners of the Company		5,462.56	4,401.17
Non-controlling interests		0.00	0.00
Total Comprehensive income for the period attributable			
Owners of the Company		5,443.57	4,387.44
Non-controlling interests		0.00	0.00
XVI EARNING PER EQUITY SHARE (FOR CONTINUING OPERATION)	38		
1) BASIC (Rs.)		177.13	142.71
2) DILUTED (Rs.)		177.13	142.71
XVII EARNING PER EQUITY SHARE (FOR DISCONTINUED OPERATION)	38		
1) BASIC (Rs.)		0.00	0.00
2) DILUTED (Rs.)		0.00	0.00
XVIII EARNING PER EQUITY SHARE (FOR CONTINUING & DISCONTINUED OPERATION)	38		
1) BASIC (Rs.)		177.13	142.71
2) DILUTED (Rs.)		177.13	142.71

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

PLACE: CHANDIGARH
Dated : 16.05.2024

For & on Behalf of Board of Directors

SD/-
RITESH VAID
Whole Time Director
DIN- 09433856
H.NO.17/2, Sigma City-1
Lohgarh Road, Zirakpur

SD/-
HARDAM SINGH
Company Secretary
FCS-5046
H.NO. 12D, Angel Appt.
Green Enclave, Zirakpur

SD/-
RAJNEESH BANSAL
Managing Director
DIN-00077230
H.NO. 749
Sec 8, Chandigarh

SD/-
NAVEEN K. LAROIYA
Chief Financial Officer
FCA-088257
H.No.1102 Tower i, Victoria Heights
Peer Muchalla, Zirakpur

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

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

SD/-
CA. ROHIT GOEL
Partner
(M. No. 091756)
UDIN 24091756BKHIWO2723

PAUL MERCHANTS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024
CIN-L74900DL1984PLC018679

A Equity Share Capital

Particulars	Amount in Rs. Lakhs	
	31st Mar, 2024 Amount (Rs. In Lakhs)	31st March, 2023 Amount (Rs. In Lakhs)
Balance at the beginning of the reporting period	102.80	102.80
Changes in equity share capital during the year	205.60	0.00
Balance at the end of the reporting period	308.40	102.80

B Other Equity

Changes in other equity for the year ended 31st Mar, 2024

Particulars	Reserves and Surplus			Total
	Securities premium Account	Other Statutory reserve	Retained Earnings	
Balance at the beginning of the current reporting period	7,595.08	1,715.90	41,662.80	50,973.78
Changes in accounting policy or prior period errors				
Restated balance at the beginning of the current reporting period				
Amount Utilized for Bonus Issue	(50.40)		(155.20)	(205.60)
Total Comprehensive Income for the current year			5,443.57	5,443.57
Dividend			-	-
Transfer to retained earnings		668.32	(668.32)	-
Balance at the end of the current reporting period	7,544.68	2,384.22	46,282.85	56,211.75

Changes in other equity for the year ended 31st March, 2023

Particulars	Reserves and Surplus			Total
	Securities premium Account	Other Statutory reserve	Retained Earnings	
Balance at the beginning of the previous reporting period	7,595.08	1,326.89	37,664.37	46,586.34
Changes in accounting policy or prior period errors				
Restated balance at the beginning of the previous reporting period				
Total Comprehensive Income for the previous year			4,387.44	4,387.44
Dividend			-	-
Transfer to retained earnings		389.01	(389.01)	-
Balance at the end of the previous reporting period	7,595.08	1,715.90	41,662.80	50,973.78

PLACE: CHANDIGARH

Dated : 16.05.2024

For & on Behalf of Board of Directors

SD/-
RITESH VAID
Whole Time Director
DIN- 09433856
H.NO.17/2,Sigma City-1
Lohgarh Road,Zirakpur

SD/-
RAJNEESH BANSAL
Managing Director
DIN-00077230
H.NO. 749
Sec 8, Chandigarh

SD/-
HARDAM SINGH
Company Secretary
FCS-5046
H.NO. 12D,Angel Appt.
Green Enclave,Zirakpur

SD/-
NAVEEN K. LAROIYA
Chief Financial Officer
FCA-088257
H.No.1102Tower j,Victoria Heights
Peer Muchalla,Zirakpur

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

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

SD/-
CA. ROHIT GOEL
Partner
(M. No. 091756)
UDIN 24091756BKHIWO2723

PAUL MERCHANTS LTD
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31.03.2024
CIN-L74900DL1984PLC018679

Amount in Rs. Lakhs

PARTICULARS	CURRENT YEAR 31.03.2024	PREVIOUS YEAR 31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	7,280.17	5,962.21
Adjustment for:		
Depreciation	604.38	393.22
Profit/Loss on Sale of Fixed Assets/Investments	(2.02)	(0.97)
Share in loss of Associates	-	1.44
Gain on Sale of Investments	(6.07)	(80.46)
Unrealized Gain on Sale of Investments	(29.15)	173.41
Finance Cost	4,260.45	2,017.53
Short Term Provisions	(528.24)	278.72
Long Term Provisions	88.04	60.40
Rental Income	(57.80)	(34.17)
Interest Income	(270.81)	(195.18)
Dividend Received	(0.46)	(0.45)
Other Comprehensive Income	(25.38)	(18.34)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL	11,313.10	8,557.36
Adjustment for :		
Net changes in operating Assets & Liabilities		
Inventory	(255.13)	(650.17)
Trade receivable	(58.97)	(221.99)
Other Bank Balance	(996.11)	(305.25)
Short Term Loans & Advances	(25,308.23)	(22,434.67)
Current Tax Assets	650.31	(390.57)
Other Current Assets	(112.49)	(157.57)
Trade Payables	553.19	69.52
Increase in Other Financial Liabilities	3,544.22	532.19
Other Current Liabilities	(1,004.61)	1,171.55
CASH FROM/(USED IN) OPERATIONS	(11,674.72)	(13,829.59)
Income Taxes Paid	(1,848.28)	(1,588.87)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(13,522.99)	(15,418.45)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	75.11	13.63
Purchase of Fixed Assets	(1,131.47)	(771.44)
Movement in Current Investments	243.83	522.02
Movement in Non Current Investments	-	38.96
Movement in Other Non Current Assets	-	0.63
Decrease in Other Long Term Liabilities	(7.45)	12.00
Rental Income	57.80	34.17
Interest Income	270.81	195.18
Dividend Income	0.46	0.45
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(490.91)	45.59
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	205.60	-
Issue of Bonus Shares utilizing Security Premium	(50.40)	-
Issue of Bonus Shares utilizing Reserve & Surplus	(155.20)	-
Borrowings (Net of Repayments)		
Long Term Borrowings	4,836.79	9,845.96
Short Term Borrowings	13,720.84	7,706.40
Finance Cost	(4,260.45)	(2,017.53)
NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	14,297.19	15,534.83
Net Change in Cash & Cash Equivalents (A+B+C)	283.28	161.97
Cash and Cash equivalent at the beginning of the year	2,223.27	2,061.31
Cash and Cash equivalents at the end of the year	2,506.55	2,223.27

Place : Chandigarh.
Dated : 16.05.2024

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

SD/-
(NAVEEN K. LAROIYA)
Chief Financial Officer
FCA-088257
H.No.1102, Tower J, Victoria Heights
Peer Muchalla., Zirakpur

For & on behalf of Board of Directors

SD/-
(RAJNEESH BANSAL)
MANAGING DIRECTOR
DIN-00077230
H.NO. 749
Sec 8, Chandigarh

AUDITOR'S CERTIFICATE

SD/-
(RITESH VAID)
WHOLE TIME DIRECTOR
DIN-09433856
H. No. 17/2, Sigma city-1
Lohqarh Road, Zirakpur

We have examined the Cash flow Statement of Paul Merchants Limited for the year ended 31st March 2024. The Statement has been prepared by the Company in accordance with the requirements of Regulation 34(2c) of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 and is based on and in agreement with the corresponding Statement of Profit and Loss account and Balance Sheet of the Company covered by our report to the members of the Company

Place: Chandigarh
Dated : 16.05.2024

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

SD/-
CA. ROHIT GOEL
Partner
(M. No. 091756)
UDIN 24091756BKHIWO2723

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standard (IndAS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

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

Revised Schedule III to Companies Act, has been made applicable to the Company, changes made if any are in compliance to the same

The figures appearing in financial statement has been rounded off to nearest lakhs as per requirement of Schedule III to the Companies Act.

B. Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets which have been measured at fair value.

C. Basis of Consolidation

The investment in Malaysian Joint Venture is accounted for using Equity Method. Investment in subsidiary companies (PML Realtors Private Limited and Paul Merchants Finance Private Limited) is accounted for using pooling of interest method as the same are subject to common control before and after such investments in accordance with IND AS. The financial statements of the Subsidiary companies are consolidated on a line-by-line basis and intra-group balances and transactions are eliminated upon consolidation.

D. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

E. Property, Plant and Equipment (PPE)

The items of Property Plant & equipment are measured at Cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation (if any), less accumulated depreciation and impairment loss, if any. All costs, including financing costs, attributable to the fixed assets are capitalized.

The Company had opted to measure all its property, plant and equipment and intangible assets at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition.

F. Depreciation

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) in the manner prescribed in Schedule II to the Companies Act, 2013 over their remaining useful life on pro-rata basis.

G. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

H Foreign Currency Transactions

- 1 Purchases and sales of foreign currencies and traveller's cheques are accounted at the contracted rates. Other transactions in foreign currencies are initially recognised at the rate at which the transaction is entered into. On settlement of such transactions the profit/loss arising from exchange differences is recognised in the Statement of profit and loss.
- 2 All other Foreign Currency transactions have also been recorded at exchange rate prevailing on the date of the transaction.
- 3 Foreign Currency Fixed Deposits, Balances in Foreign Currency Bank Accounts and other Foreign Currency receivables or payables are valued at year end rates and gains/losses due to exchange rate differences have been adjusted in Profit & Loss Account

I Investments

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

J Inventories

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

K Cash and cash equivalents

Cash and cash equivalents Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value in accordance with IND AS 7. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

L Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of Foreign Exchange and Services. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

M Employee Benefits

The entity makes contributions to statutory provident funds in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948. Provident Fund and ESI are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the fund.

Gratuity Liability as on 31st March 2024 has been provided for on basis of actuarial valuation basis Projected unit credit method in accordance with IND AS-19.

Leave encashment which are short term compensated absences are charged to profit and loss account of the year in which it is due.

N Borrowing Costs

As per IND AS 23 Borrowing costs that are attributable to the acquisition or construction of qualifying assets (if any) are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

O Forex Hedging Transactions

In respect of Forex hedging transactions, gains / losses on settlement and losses on restatement are recognized in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

P Provision for Current and Deferred Tax

Current income tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

Q Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

R Classification of Current / Non Current Assets

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to The Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has assumed its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities.

S Leases

The Company has complied with IND AS 116 "Leases" applicable from 1 April 2019, and considered all material lease contracts existing on April 1, 2019. The Company has accounted for its short term leases and low value assets in accordance with para 6 of the IND AS. The cancellable leases are considered as short term leases therefore no right to use assets has been recognized as per exemption available under the IND AS 116.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAR 2024

Note 1: PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, INTANGIBLE ASSETS UNDER DEVELOPMENTS, CAPITAL WORK IN PROGRESS

PARTICULARS	Gross Block (Rs. in Lakhs)						Accumulated Depreciation (Rs. in Lakhs)				Net Block (Rs. in Lakhs)	
	Balance as at 1st April 2023	Additions	Disposals	Balance as at 31st Mar 2024	Balance as at 1st April 2023	Depreciation/ Amortization charge for the year	On disposals	Balance as at 31st Mar 2024	Balance as at 31st March 2023	Balance as at 31st Mar 2024		
	Land	3,753.87	-	-	3,753.87	-	-	-	-	3,753.87	3,753.87	3,753.87
Buildings	2,543.10	-	-	2,543.10	848.15	82.76	-	930.91	1,694.95	1,612.20	1,612.20	
Computers & Desktop	647.34	182.45	0.66	829.14	468.06	151.30	0.62	618.73	179.29	210.41	210.41	
Servers & Networks	80.52	-	-	80.52	76.07	0.31	-	76.37	4.45	4.15	4.15	
Furniture and Fittings	649.44	144.90	0.49	793.85	405.95	74.75	0.46	480.24	243.49	313.61	313.61	
Motor Cars	591.32	459.85	36.73	1,014.44	455.64	139.27	34.53	560.38	135.68	454.06	454.06	
Motor Cycles	1.22	-	-	1.22	0.56	0.17	-	0.73	0.65	0.48	0.48	
Office Equipments	141.47	23.45	0.11	164.82	120.51	11.20	0.10	131.60	20.96	33.21	33.21	
Electrical Installations & Equipments	254.34	100.83	3.51	351.65	169.75	31.99	2.39	199.36	84.59	152.30	152.30	
Plant & Machinery	672.77	208.65	-	881.42	179.52	107.10	-	286.62	493.25	594.80	594.80	
Leasehold Improvements	37.30	-	-	37.30	35.43	-	-	35.43	1.86	1.86	1.86	
Intangible Assets												
Amortization on Software	54.45	1.00	-	55.45	8.32	5.53	-	13.84	46.13	41.61	41.61	
Intangible Assets Under Development												
Computer Software	69.70	-	69.70	-	-	-	-	-	69.70	-	-	
Capital Work in Progress												
Capital Work in Progress	14.91	10.34	-	25.25	-	-	-	-	14.91	25.25	25.25	
Total Current Year	9,511.75	1,131.47	111.20	10,532.02	2,767.96	604.38	38.11	3,334.23	6,743.79	7,197.80	7,197.80	
Total Previous Year	8,766.15	771.44	25.84	9,511.75	2,387.92	393.22	13.18	2,767.96	6,378.23	6,743.79	6,743.79	

* Land & Building at SCO 827-828, Chandigarh mortgaged with ICICI Bank Limited and at # 749 Sector 8 Chandigarh & DSM 335-337, 346-347 DLF Delhi, Flat No. 2203, 22nd Floor, Wing C, DB Woods, Mumbai, Unit no A/303, 3rd Floor, Kanakia Zillion, Wing A, LBS Marg, Kuria(west), Mumbai, Shop No 3, UGF, 37, Cantt Road, Lukhnow mortgaged with State Bank of India for OD limit taken by Wholly owned subsidiary - Paul Merchants Finance Private Limited. Property at Zirakpur is given as security against Short Term Loan from Bajaj Finance Ltd taken by Paul Merchants Limited

Note 1A Intangible Assets Under Development

Intangible Assets Under Development	As at 31st March 2024			(Rs in Lakhs)
	Less Than 1 year	1-2 years	2-3 Years	
Software	-	-	-	-
Total Current Year	-	-	-	-

As at 31st March 2023				(Rs in Lakhs)
Software	55.60	5.85	8.25	-
Total Previous Year	55.60	5.85	8.25	-

CWIP Ageing

Amount of CWIP	As at 31st March 2024			(Rs in Lakhs)
	Less Than 1 year	1-2 years	2-3 Years	
Branches under development	10.34	5.36	9.56	-
Total Current Year	10.34	5.36	9.56	-

As at 31st March 2023				(Rs in Lakhs)
Branches under development	5.36	9.56	-	-
Total Previous Year	5.36	9.56	-	-

Note 2: FINANCIAL ASSETS - NON CURRENT INVESTMENTS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Other Investments	Nil	Nil
Total	Nil	Nil

Note 3: OTHER FINANCIAL ASSETS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Advance against Property	70.88	70.88
Less: Provision for Expected credit Loss	(17.72)	(17.72)
Other Financial assets	13.04	13.04
Total	66.20	66.20

Note 4: DEFFERED TAX ASSETS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Opening Balances	251.76	220.76
Add/Less: Deferred Tax Assets created/(written back) during the year	37.06	31.00
Total	288.82	251.76

Note 5: INVENTORIES

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Stock of Foreign Currency at Cost	795.70	540.57
Work in Progress*	20.81	20.81
Stock held by PML Realtors Pvt. Ltd.	675.99	675.99
Total	1,492.50	1,237.37

* Amount incurred towards Development of Travel Software for Sale

Note 6: FINANCIAL ASSETS -CURRENT INVESTMENTS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Investments measured at Fair Value Through Profit & Loss		
Investment in Mutual Funds and Portfolio Investment Quoted at FVTPL		
HSBC LIQUID FUND_ISIN-INF336L01BN7	5.33	4.97
Aditya Birla Sun Life Corporate Bond Fund	0.38	0.36
Axis Focused 25 Fund Direct Plan Growth	17.80	12.92
HDFC Small Cap Fund Direct Plan Growth	27.61	18.38
HDFC Equity Savings Fund Direct Plan Growth Folio	15.01	10.35
L&T India Value Fund Direct Plan Growth	9.30	6.09
Kotak Standard Multicap Fund Direct Plan Growth	20.33	14.71
Mirae Asset India Equity Fund Direct Plan	18.94	14.78
Ask Domestic Resurgence Protfolio- Equity Funds	53.35	40.27
ASK IEP PMS	48.74	36.99
HSBC ULTRA SHORT_ISIN-INF336L01OW1	8.22	7.68
HDFC ULTRA SHORT TERM FUND-REGULAR PLAN GROWTH	11.78	11.00
Aditya Birla Sunlife Liquid Fund INF209K01RU9	17.12	15.97
HDFC Liquid Fund_ 13393612/56	8.25	7.69
IDFC Money Manager Fund INF194K01LG9	12.65	11.83
Investments in Tax Free Bonds -Quoted at FVTPL- Pledged *		
8.56 % Housing and Urban Development Corporation Limited	248.38	252.25
8.48% India Infrastructure Finance Company Limited	589.37	598.27
8.54% Power Finance Corporation Limited	584.94	593.79
Rural Electrification Corporation Limited	223.94	227.34
8.23% IRFC 18 Feb 24	-	53.05

Rs in lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Investments in Equity Shares- Quoted at FVTPL	3.60	2.49
Investments in Equity- Unquoted at FVTPL	0.09	0.08
India Real Estate Fund	242.78	435.29
Total	2,167.93	2,376.54

*As on 31 March 2024 Tax free bonds Valued at Rs 1778.98 Lakh (Previous Year Rs 1826.31 lakh) are pledged with Kotak Bank, & ICICI Bank for Over Draft limits taken by Paul Merchants Finance Private limited (Wholly owned Subsidiary of the company) and Julius Baer Capital (India) Limited for Short term loan taken by Paul Merchants Limited amounting in all to Rs 4568.80 lakh (Rs. 2763.15 Lakh as on 31st March 2023).

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Aggregate Value of Quoted Investments	1,925.05	1,941.16
Aggregate Value of Unquoted Investments	242.87	435.37
Total	2,167.93	2,376.54

Note 7: FINANCIAL ASSETS- TRADE RECEIVABLES

Rs in Lakhs

Particulars	As at 31st Mar 2024						Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total	
Trade receivables							
(i) Undisputed Trade Receivables, considered good	452.42	38.78	7.42	0.00	0.62	499.25	
(ii) Undisputed Trade Receivables, considered doubtful	-	-	-	-	-	31.78	
(iii) Disputed Trade Receivables, considered good	-	-	-	0.63	31.15	24.12	
(iv) Disputed Trade Receivables, considered doubtful	-	-	-	-	24.12	(3.08)	
Less: Provision for doubtful debts	-	-	-	-	(3.08)	552.08	
	452.42	38.78	7.42	0.63	52.81		
Total	452.42	38.78	7.42	0.63	52.81	552.08	

Rs in Lakhs

Particulars	As at 31st Mar 2023						Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	Total	
Trade receivables							
(i) Undisputed Trade Receivables, considered good	422.14	8.40	1.25	6.86	1.63	440.29	
(ii) Undisputed Trade Receivables, considered doubtful	-	0.63	-	-	31.15	31.78	
(iii) Disputed Trade Receivables, considered good	-	-	-	-	24.12	24.12	
(iv) Disputed Trade Receivables, considered doubtful	-	-	-	-	(3.08)	(3.08)	
Less: Provision for doubtful debts	-	-	-	-	-	493.11	
	422.14	9.03	1.25	6.86	53.83		
Total	422.14	9.03	1.25	6.86	53.83	493.11	

Note 8: FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Cash and cash equivalents		
i) Cash in hand	236.51	586.75
ii) In Current Accounts	2,270.04	1,572.29
iii) Cheques/Draft in Hand	-	64.23
Total (A)	2,506.55	2,223.27

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

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Other Balances with Banks		
i) In Term Deposit Accounts with > 3 month and <12 months maturity	404.55	528.25
ii) In earmarked Term Deposit Accounts		
a. Pledged FD		
b. Margin money	18.39	17.32
c. Guarantees & Other Commitments	5.35	4.23
d. For Overdraft Facility *	1,168.11	50.48
iii) In Unclaimed dividend accounts	0.22	0.22
Total (B)	1,596.61	600.50
Total (A)+(B)	4,103.17	2,823.77

* Fixed deposit Pledged with IDBI for Paul Merchants Limited overdraft facility & with RBL for OD & HDFC Bank for term loan facilities availed by Paul Merchants Finance Private Limited.

Note 10: FINANCIAL ASSETS - SHORT TERM LOANS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Loans and advances		
Secured, Considered Good- Gold Loan	96,920.53	72,069.03
Unsecured, Considered Good	62.53	32.82
Total (A)	96,983.06	72,101.85

Note 11: FINANCIAL ASSETS - SHORT TERM ADVANCES

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Others		
Unsecured, Considered Good		
1. Advances to Other Parties (Net)	662.02	374.78
2. Security Deposits	408.93	263.68
3. Staff Imprest	(3.69)	(0.08)
4. Claims Recoverable	-	1.87
Total (B)	1,067.27	640.26
Total (A)+(B)	98,050.34	72,742.11

Disclosure pursuant to Note No. VIII (iv) of Division II of Schedule III to the Companies Act, 2013

Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other person or amount due by firms or private companies respectively in which any director is a partner or a director or a member are stated below:

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is also a director	-	-
	-	-

Note 12: Current tax Assets

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Balances with government authorities		
a. GST Input Credit	161.74	108.09
b. Advance Tax	1,034.14	1,137.00
c. Tax Deducted at Source	44.95	733.12
d. Tax Collected at Source	4.40	-
e. Tax Refund	95.46	12.79
Total	1,340.69	1,991.00

Note 13: OTHER CURRENT ASSETS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Prepaid expenses	349.20	260.71
Amount Recoverable	24.00	-
Total	373.20	260.71

Note 15: OTHER EQUITY

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
A. Securities Premium Account		
Opening Balance	7,595.08	7,595.08
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilized for Bonus issue	50.40	-
Total	7,544.68	7,595.08
Less : Non Controlling Interest	-	-
Closing Balance	7,544.68	7,595.08
B. Statutory Reserve		
Opening Balance	1,651.69	1,271.99
(+) Current Year Transfer	611.05	379.70
Total	2,262.74	1,651.69
Less : Non Controlling Interest	-	-
	2,262.74	1,651.69
C. Impairment Reserve		
Opening Balance	64.21	54.90
(+) Current Year Transfer	57.26	9.31
Total	121.48	64.21
Less : Non Controlling Interest	-	-
	121.48	64.21
D. Reserve and Surplus		
Opening Balance	41,662.80	37,664.37
(+) Profit for Current Year	5,462.56	4,401.17
(-) Utilized for Bonus Issue	(155.20)	-
Other Comprehensive Income (net of tax)	(19.00)	(13.72)
(-) Dividends (including dividend distribution tax)	-	-
Less: Transferred to Statutory Reserves	(611.05)	(379.70)
Less: Transferred to Impairment Reserves	(57.26)	(9.31)
Less: Loss/change in reserve on acquisition of NCI	-	-
Closing Balance	46,282.85	41,662.80
Other Equity Attributable to Owners	56,211.75	50,973.78
Non Controlling Interest (Equity)	-	-
Non Controlling Interest (Sec Premium)	-	-
Non Controlling Interest (Statutory Reserve)	-	-
Non Controlling Interest (Gen Reserves)	-	-
Non Controlling Interest (Current Year Profit)	-	-
Total Non Controlling Interest	-	-
Total Other Equity	56,211.75	50,973.78

Note 14: EQUITY SHARE CAPITAL

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

Rs in Lakhs

Particulars	As at 31st Mar 2024		As at 31st Mar 2023	
	Number	Amount (Rs.in lakhs)	Number	Amount (Rs.in lakhs)
Authorised Equity Shares of Rs. 10 each	10,500,000	1,050.00	20,00,000	200.00
Issued, Subscribed & fully Paid up Equity Shares of Rs. 10 each fully paid (20,56,000 equity shares @ Rs 10 each issued by way of bonus issue in the ratio of 2 share for 1 share held)	30,84,000	308.40	10,28,000	102.80
Total	30,84,000	308.40	10,28,000	102.80

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

Particulars	Equity Shares			
	As at 31st Mar 2024		As at 31st Mar 2023	
	Number	Amount (Rs.in lakhs)	Number	Amount (Rs.in lakhs)
Shares outstanding at the beginning of the year	1,028,000	102.80	1,028,000	102.80
Bonus shares Issued during the year	2,056,000	205.60	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,084,000	308.40	1,028,000	102.80

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

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

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

Name of Shareholder (Mr./Mrs.)	Equity Shares				
	As at 31st Mar 2024		As at 31st Mar 2023		% Change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Sarita Rani Bansal	1,036,800	33.62	345,600	33.62	-
Rajneesh Bansal	882,759	28.62	294,253	28.62	-
Paul Excursions Pvt. Ltd.	307,065	9.96	102,355	9.96	-
Total	2,226,624	72.20	742,208	72.20	0

E. Shares in the company held by promoters

Name of Shareholder (Mr./Mrs.)	Equity Shares				
	As at 31st Mar 2024		As at 31st Mar 2023		% Change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Sarita Rani Bansal	1,036,800	33.62	345,600	33.62	-
Rajneesh Bansal	882,759	28.62	294,253	28.62	-
Sat Paul Bansal	75,720	2.46	5,240	0.51	1.95
Paul Excursions Pvt. Ltd.	307,065	9.96	102,355	9.96	-
Total	2,302,344	74.65	747,448	72.71	1.95

Note 16: NON CURRENT FINANCIAL LIABILITIES: BORROWINGS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
SECURED		
A. Non-Current Maturities of Term Loans		
1. From Banks		
a. Car Loans from HDFC (Secured by Hypothecation of Cars)	182.83	4.65
b. Car Loans from Kotak Mahindra Prime Ltd (Secured by Hypothecation of Cars)	46.71	-
c. Term Loan from IDBI, Capital Small Finance Bank, SBI, HDFC, Federal Bank Ltd & Indian Overseas Bank	13,082.78	8,740.70
2. From other Parties		
a. Term Loans from Cholamandalam Investment and Finance Company & Tata Capital Financial Services Ltd	691.39	1,130.57
3. Debt Securities	709.00	-
Total	14,712.71	9,875.92

Note 16A: LEASED LIABILITIES

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Deferred Income	1.34	2.01
Security deposits received	11.66	18.44
Total	13.00	20.45

Note 17: LONG TERM PROVISIONS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Provision for employee benefits Gratuity - Unfunded	378.59	290.55
Total	378.59	290.55

Note 18: CURRENT FINANCIAL LIABILITIES - BORROWINGS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
A. SECURED		
1. Loans repayable on demand- From Banks		
(i) Cash Credit Facility (CC) (Secured by Inventory and Debtors (future & current) and Hypothecation of one Property)	249.89	784.30
(ii) Over Draft Facility (OD) (Secured by Current Assets and Debtors (future & current) , Fixed deposit, Pledged securities owned by Parent Company, Hypothecation of property of parent company and Personal Guarantee of Directors) Please refer to note 6	12,903.14	6,806.43
(iii) Term Loan from AU Small Finance Bank, IDBI, Capital Small Finance Bank, SBI, Indian Overseas Bank, HDFC & Federal Bank Ltd. (Secured by Current Assets and Debtors (future & current) , Fixed deposit, Hypothecation of property of parent company and Personal Guarantee of Directors)	19,584.55	11,815.81
Current maturities of long-term debt		
a. Car Loans from HDFC Bank (Secured by Hypothecation of Cars)	101.18	12.22
b. Car Loans from Daimler Financial Services India Private Ltd (Secured by Hypothecation of Cars)	-	14.39
c. Car Loans from Kotak Mahindra Prime Ltd (Secured by Hypothecation of Cars)	32.54	-
2. FROM OTHER PARTIES		
A. Term Loans from Julius Baer Capital (India) P Ltd, Cholamandalam Investment and Finance Company, Bajaj Finance Ltd & Tata Capital Financial Services Ltd (Secured by Current Assets and Debtors (future & current) ,Pledged securities owned by Parent Company) Please refer to note 6	1,588.02	1,296.03
B. UNSECURED		
(i) Loans and advances from related parties	105.50	114.80
Total	34,564.82	20,843.98

Note 19: FINANCIAL LIABILITIES - TRADE PAYABLES

Rs in Lakhs

Particulars	As at 31st Mar 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Sundry Creditors	680.39	30.87	10.22	0.68	722.16
Sundry Creditors - Forex					
(i) MSME	149.12	12.15	7.64	-	168.90
(ii) Others					
(iii) Disputed Dues - MSME					
(iv) Disputed Dues - Others					
Sundry Creditors - Travel					
(i) MSME	0.32				0.32
(ii) Others	434.10	1.26	2.58	-	437.94
(iii) Disputed Dues - MSME					
(iv) Disputed Dues - Others					
Sundry Creditors - Others					
(i) MSME	44.08				44.08
(ii) Others	52.78	17.46	-	0.68	70.92
(iii) Disputed Dues - MSME					
(iv) Disputed Dues - Others					
Total	680.39	30.87	10.22	0.68	722.16

Note 19: FINANCIAL LIABILITIES - TRADE PAYABLES

Rs in Lakhs

Particulars	As at 31st Mar 2023					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Sundry Creditors	227.16	10.47	4.54	-	242.16	
Sundry Creditors - Forex						
(i) MSME						
(ii) Others	52.57	8.23	1.58	-	62.38	
(iii) Disputed Dues - MSME						
(iv) Disputed Dues - Others						
Sundry Creditors - Travel	103.30	2.24	1.05	-	106.59	
(i) MSME						
(ii) Others						
(iii) Disputed Dues - MSME						
(iv) Disputed Dues - Others						
Sundry Creditors - Others	36.09	-	-	-	36.09	
(i) MSME	35.20	-	1.90	-	37.10	
(ii) Others						
(iii) Disputed Dues - MSME						
(iv) Disputed Dues - Others						
Total	227.16	10.47	4.54	-	242.16	

Note : Previous Year's figures have been regrouped and re-arranged wherever required.

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2023. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Disclosure under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	NIL	NIL
(ii) the amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act	NIL	NIL
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	NIL	NIL

Note 20: OTHER SHORT TERM FINANCIAL LIABILITIES

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
(a) Security deposits	3.20	3.20
(b) Statutory Payables		
(i) PF Payable	36.49	31.01
(ii) ESI Payable	1.91	1.99
(iii) TDS Payable	151.95	171.91
(iv) TCS Payable	202.54	169.60
(v) GST Payable	33.16	80.55
(c) Expenses Payable	4,581.75	816.90
(d) Unclaimed dividends	0.22	0.22
(e) Other payables	379.18	497.58
Total	5,390.38	1,772.96

Note : Previous Year's figures have been regrouped and re-arranged wherever required.

Note 21: OTHER CURRENT LIABILITIES

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Revenue Received in Advance	1,975.05	2,979.66
Total	1,975.05	2,979.66

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

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Advance Received from Directors	NIL	NIL
Advance Received from relatives of Directors	NIL	NIL

Note 22: SHORT TERMS PROVISIONS

Rs in Lakhs

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
(a) Provision for employee benefits	233.96	178.07
Gratuity - Unfunded	10.95	9.26
Leave Encashment	73.20	60.77
Bonus	149.82	108.05
(b) Others		
Provision for Taxes	883.60	1,513.27
Provision for NPA	90.47	53.45
Provision on standard assets	147.83	139.30
Total	1,355.86	1,884.09

Note : Previous Year's figures have been regrouped and re-arranged wherever required.

Note 23: REVENUE FROM OPERATIONS

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Sale of Services		
Foreign Exchange	647,108.16	687,458.89
FX Service Charges	654.46	654.07
Sales of Hotel Bookings & Packages	335.86	408.01
Revenue from Air Ticketing	151.13	157.51
Revenue from Hotel Bookings & Packages	27.64	22.45
Revenue from Visa ,Bus Bookings,Railway	13.83	13.93
Interest Income -Paul Merchants Finance Pvt Limited	16,042.45	10,588.48
Income from Domestic Money Transfer Service	145.61	390.85
Gain on assignment of financial asset**	84.10	-
Sale of Property - PML Realtors Private Limited	-	85.00
Total - Sale of Services	664,563.23	699,779.17
Other Operating Revenues		
Rewards & Incentives	48.12	38.40
-Travel Incentive	25.73	38.40
- Credit Card Incentive	22.40	
Credit Card Encashment	44.18	44.56
Other Service charges	2,002.11	1,238.15
Commission Income--Paul Merchants Finance Pvt Limited	210.89	64.05
AD-1 Referral - Commission	1,528.64	1,120.47
Commission for Opening GIC Account in Foreign Banks	234.23	10.39
International Money Transfer- Commission	28.35	35.28
Domestic Money Transfer - Commission	0.00	7.96
Total - Other Operating Revenues	2,094.41	1,321.11
Total Revenue From Operations	666,657.64	701,100.28

Note : Previous Year's figures have been regrouped and re-arranged wherever required.

**During the Financial Year ended on 31st March 2024, the company, Paul Merchants Finance Pvt Ltd (PMFPL), has assigned Loans amounting to Rs. 161.08 Crores under Direct Assignment (DA) agreement entered with assignee. As per IND AS 109, the company is required to recognise gain/loss on such assignment upfront at the time of execution of the transaction and resultantly, a gain of Rs. 84,10,202/- (arrived after reducing unrealised gains on pre-matured loans) has been recognised in the accompanying financial Statements of PMFPL. This gain has been arrived at after reducing the carrying value of the assigned loans from the sale consideration on assignment. This sale consideration includes the amount received from the assignee as well as the excess interest spread expected to be earned by the company on the assigned loans till their realisation. Additionally, as per RBI guidelines on securitisation, company is required to retain minimum 10% of the assigned loans on its books while 90% of the loan amount is transferred to the assignee. Such condition has also been complied by the company and necessary disclosures mandated by RBI as well as IND AS-109 are given in the financial statements of the company.

Note 24: OTHER INCOME

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
A. Interest Income		
1. Interest on Bank Deposits	76.24	15.11
2. Other Interest	194.57	180.07
3. Interest on Income Tax Refund	0.02	-
B. Dividend Income	0.46	0.45
C. Net Gain on Sale/Fair Valuation of investments	35.22	(92.94)
1. Realized Gain on Sale of investments	6.07	80.46
2. Net Unrealized gain/ (loss) on financial instruments at fair value through profit or loss	29.15	(173.41)
D. Other non-operating income	297.19	77.57
1. Rental Income	57.80	34.17
2. Profit on sale of Fixed Assets	2.02	0.97
3. Franchisee Fees	0.39	0.36
4. Miscellaneous Income	236.31	41.51
5. Fair Valuation gain on Financial Assets	0.67	0.56
Total	603.70	180.26

Note : Previous Year's figures have been regrouped and re-arranged wherever required.

Note 25: Purchase of Foreign Exchange and Services

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Foreign Exchange	635,458.84	675,910.92
Hotel Bookings & Packages	300.12	375.46
Purchase of Property - PML Realtors Private Limited	-	626.73
Total	635,758.96	676,913.11

Note 26: Changes in Inventories of Stock in Trade

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Closing Stock	1,492.50	1,237.37
Opening Stock	1,237.37	587.20
NET DECREASE/(INCREASE)	(255.13)	(650.17)

Note 27: DIRECT EXPENSES

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
COMMISSION AND INCENTIVES	9,667.50	9,093.90
Forex Agents -AD II	8,751.05	8,315.95
Forex Agents - AD I Referral	774.93	582.30
Agent Commission for Referring Foreign Bank A/c	98.89	-
Travel agent	1.68	1.38
Commission DMT & Indo Nepal	40.95	193.42
Commission on Sale of Flat	-	0.85
Total	9,667.50	9,093.90

Note 28: OFFICE & ADMINISTRATIVE EXPENSES

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Bad Debts and Balances Written Off	17.21	-
Brokerage	-	3.00
Communication Expenses	80.35	61.68
Computer Expenses	157.84	102.49
Conference Expenses	59.23	21.06
Conveyance Expenses	182.10	144.74
Generator Running Expenses	1.13	0.75
Insurance	167.31	116.53
Legal, Professional & Outsourcing	385.90	424.23
Statutory Audit Fees	2.24	2.37
Tax Audit Fees	0.68	0.50
Postage & Telegram	29.26	13.60
Power and Water Expenses	121.17	93.95
Printing and stationery	72.02	62.76
Rates and taxes	68.32	59.48
Rent	902.32	617.83
Repairs and maintenance	546.50	389.03
Office maintenance	8.63	9.46
Security Services	415.97	328.24
Travelling Expenses	141.76	91.77
Vehicle Running & Maintenances	29.80	28.09
Portfolio Management Services	2.14	1.82
Provision for Impairment of Loan Asset	45.55	58.99
Cashfree Chargeback/Dispute Lost	1.22	5.97
Office Expenses	64.88	2.31
Misc Expenses	62.13	
Call Centre Charges	2.52	2.08
News Paper & Periodicals	0.23	0.23
Total	3,503.52	2,640.66

Note : Previous Year's figures have been regrouped and re-arranged wherever required.

Payments to the auditor as	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Statutory Audit Fees	2.24	2.37
Tax Audit Fees	0.68	0.50
Certification Charges	1.89	-
Total	4.81	2.87

Note 29: EMPLOYEE BENEFIT EXPENSES

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
<i>Salaries & Benefits</i>	5,236.35	3,928.80
Salaries & Allowances	5,023.92	3,749.92
Bonus	140.74	118.69
Leave Encashment	71.69	60.19
Contributions to:		
(i) Provident Fund	210.09	155.38
(ii) ESI	19.28	18.89
(iii) NPS	5.32	1.65
Gratuity	87.08	64.08
Staff welfare expenses	177.65	132.36
Total	5,735.77	4,301.16

Note 30: FINANCE COSTS

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Interest Expenses:		
Interest on Demand Loans	1,812.34	904.23
Interest on Term Loans	2,227.37	792.45
Interest on Car Loans	24.70	3.22
Other Interest (Interest on loan from directors & relatives)	10.27	18.41
Notional Interest on Security Deposit	0.67	0.56
Other Finance Expenses:		
Bank Charges	182.29	294.72
Credit Card Charges	2.82	3.96
Total	4,260.45	2,017.53

Note 31: SALES PROMOTION EXPENSES

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Advertisement & Publicity	396.52	356.68
Business Promotion	102.13	123.65
Total	498.65	480.33

Note 32: CSR- CORPORATE SOCIAL RESPONSIBILITY

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
A) Amount Spent During the year	Amount Paid	Amount Paid
Animal Welfare	42.55	20.00
Promoting Healthcare	16.30	19.19
Eradicating hunger	23.88	20.71
Employment enhancing Vocation skills	0.82	0.76
Promoting education	37.78	19.10
Setting up of old age home and Day care centre	0.79	10.91
Administrative overheads(including Salary of one employee dedicated for CSR activities)	0.88	0.19
B) AMOUNT YET TO BE PAID	NIL	NIL
Total	123.01	90.86

Note 33: OTHER EXPENSES

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Donations	12.89	5.27
Gain/Loss on Exchange Rate Fluctuation	-	7.06
Fees & Subscriptions	40.67	16.86
Total	53.56	29.19

Note 34 A: EXCEPTIONAL ITEMS

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Loss on Cyber Fraud Case	-	8.54
RBI Penalties A/c	30.50	-

In the Wholly Owned subsidiary Company a Penalty of Rs. 30.5 lakhs has been imposed upon Paul Merchants Finance Private Limited (PMFPL) by the Reserve Bank of India for violation of Para 9.1(ii)(d) of the Master Directions on PPIs dated Aug 27,2021. The said amount was previously disclosed as a contingent liability in financials for FY 2022-23 and has been paid in full during the Financial year upon receipt of final order. The same is disclosed as an extraordinary item in the standalone financial results of PMFPL as well as the consolidated financial results of the group.

Note 34 B: OTHER COMPREHENSIVE INCOME

Rs in Lakhs

Particulars	For the Year ended 31st Mar 2024	For the Year ended 31st Mar 2023
Remeasurement (Gain)Loss on defined benefit obligations	25.38	18.34
Income tax relating to above	(6.39)	(4.62)
Remeasurement Loss on defined benefit obligations (net of Tax)	19.00	13.72

Note 35. MANAGERIAL REMUNERATION

During the year the company incurred an expense towards managerial remuneration as detailed below:

Name of Director	Designation	For the Year ended 31st Mar 2024 Rs. In Lakhs	For the Year ended 31st Mar 2023 Rs. In Lakhs
Mr. Sat Paul Bansal	Chairman & Managing Director - Paul Merchants Finance Pvt. Ltd.	300.00	180.00
Mr. Rajneesh Bansal	Managing Director - Paul Merchants Ltd.	389.30	328.92
Mr. Dharam Pal Sharma	Whole Time Director resigned w.e.f 10.08.2022	0.00	3.79
Mr. Ritesh Vaid	Designated Director - Paul Merchants Ltd.	26.27	22.62
Total		715.57	535.32

Note 36. CONTINGENT LIABILITY NOT PROVIDED FOR

Particulars	As at 31st Mar 2024 Rs. In Lakhs	As at 31st Mar 2023 Rs. In Lakhs
Claims against company not acknowledged as Debt	15.92	16.37
Outstanding Bank Guarantees	120.00	40.43
Service Tax Demand Notice pending Departmental Appeal with High Court (excl. Interest) including Penalty	670.84	670.84
Corporate Guarantee in Respect of OD Limits taken by Paul Merchants Finance Private Limited Company from State Bank of India, AU Small Finance Bank, IDBI, Tata Capital Ltd., Capital Small Finance Bank, Cholamandalam Investment & Finance Co, Bajaj Finance Limited, Indian Overseas Bank, HDFC Bank, Catholic Syrian Bank, RBL Bank, Union Bank Of India & Federal Bank Ltd.	55,850.00	32,840.00
Income Tax Demand pending before CIT(A) A.Y. 2015-16	97.50	-
Demand by Enforcement Directorate	569.20	565.20
SCN u/s 10(5) of FEMA, 1999 from Enforcement Directorate*	141.79	
Liability under Payment and Settlement Act, 2007 for Paul Merchants Finance P Ltd		30.50
Total	57,465.24	34,163.34

*During the financial year ended 31st March 2024, the Directorate of Enforcement, Chandigarh(ED) has issued a show cause notice u/s 13 of the Foreign Exchange Management Act (FEMA) 1999 to the company calling upon to explain as to why the adjudication proceedings should not be initiated against the Company and its Principal Officer for violations under Regulation 10(5) of FEMA and provisions of RBI Master Direction-Know Your Customer Directions, 2016 for failing to conduct thorough due diligence before undertaking transactions of overseas remittances on behalf of certain Indian tour operators during the period from 6 September 2017 to 1 August 2018. Upon receipt of the notice, the company has filed an application for compounding u/s 15 of FEMA, 1999 before the RBI and recognized a contingent liability equivalent to 0.5% of alleged contravention for possible payment of compounding fees based on the legal opinion sought by it.

Note 37. Joint Venture/LLP

(Rs. In Lakhs)

Particulars	As at 31st Mar 2024	As at 31 Mar 2023
Interest in JV (%)	Nil	Nil
Investment in JV	Nil	Nil
Less: Impairment Loss	Nil	Nil
Value of Capitalized Investment in JV	Nil	Nil
Proportional Interest in	Nil	Nil
- Assets	Nil	Nil
- Liabilities	Nil	Nil
Share of Income/(Loss) from JV	Nil	Nil
Expenditure Incurred	Nil	Nil

Note 38. Earnings per Share

Particulars	As at 31st Mar 2024 Rs. In Lakhs	As at 31st Mar 2023 Rs. In Lakhs
Earnings per Share- Continuing Operations		
Net Profit for the Year (Rs.)	5,462.56	4,401.17
Number of Equity Shares (Nos.)	30.84	10.28
Basic & Diluted EPS (Rs per Share)	177.13	142.71
Earnings per Share - Discontinued Operations		
Net Profit for the Year (Rs.)	-	-
Number of Equity Shares (Nos.)	30.84	10.28
Basic & Diluted EPS (Rs per Share)	-	-
Earnings per Share - Continuing and Discontinued Operations		
Net Profit for the Year (Rs.)	5,462.56	4,401.17
Number of Equity Shares (Nos.)	30.84	10.28
Basic & Diluted EPS (Rs per Share)*	177.13	142.71

* The EPS For the Financial year 2023-24 has been calculated after taking into accounts the issue of Bonus shares in the ratio of 2 for every one share held. The EPS of the previous year has been restated for comparison purposes.

Note 39. Related Party Disclosures

(Disclosure as per Ind AS 24)

A. List of Related Parties

Name of Related Party	Relationship
Sandeep Bansal	Relative of Director
Rajneesh Bansal	Managing Director of Paul Merchants Ltd.
Ritesh Vaid	Designated Whole Time Director of Paul Merchants Ltd.
Nita Bansal	Relative of Director
Rajesh Garg	Key Management Personnel- CFO resigned w.e.f 09.11.2023
Naveen kumar	Key Management Personnel- CFO w.e.f 09.11.23 of Paul Merchants Ltd.
Hardam Singh	Key Management Personnel- CS-Paul Merchants Ltd.
Mr. Gourav Kapoor	Company Secretary of Paul Merchants Finance P Ltd. (Till 10.01.2024)
Shivani Sharma	Company Secretary of Paul Merchants Finance P Ltd. (From 11.01.2024 onwards)
Ms. Shikha Goyal	Company Secretary of PML Realtors P Ltd. (resigned w.e.f 10.11.2023)
Ms. Gagandeep Kaur	Company Secretary of PML Realtors P Ltd. (appointed w.e.f 10.11.2023)
Mrs. Aarti Markan	Chief Financial Officer of Paul Merchants Finance P Ltd.
Mr. Rajeev Kumar Rana	Chief Financial Officer of PML Realtors P Ltd. W.e.f 16.08.2022
Sh. Shaibu Geevarghese Cherian	Whole Time Director of Paul Merchants Finance P Ltd.
Paul Merchants Finance Private Limited	Wholly Owned Subsidiary
Sat Paul Bansal	Chairman & Managing Director in Paul Merchants Finance P Ltd.
Aastha Bansal	Relative of Director
Sarita Rani Bansal	Whole Time Director in Paul Merchants finance P Ltd & Non Executive Director in Paul Merchants Ltd.
Niraa Talent	Firm in which relative of director is partner
Bright Cove Goods	Firm in which relative of director is partner
Bosna Digital Entertainment Private Limited	Private Company in which relative of directors are directors and shareholders
Nikka Mal Babu Ram	Firm in which relative of director is partner
PML Realtors Private Limited	Wholly Owned Subsidiary
Paul E-commerce Private Limited	Private company in which directors of the company are Directors.
Divya Broadcasting Network Private Limited	Private Limited Company in which relatives of Directors are Directors and Shareholders
9X Media Private Limited	Private Limited Company in which relative of Director is Director
Surinder Bansal	Relative of Director
Paul Overseas Private Limited	Private Company owned or significantly influenced by Key Management Personnel or their relatives
Paul Excursions Private Limited	Private Company owned or significantly influenced by Key Management Personnel or their relatives
PML Holidays Private Limited	Private Company owned or significantly influenced by Key Management Personnel or their relatives
Paul Merchants Jewels & Metals LLP	LLP owned or significantly influenced by Key Management Personnel or Director or their relatives
Paul Distributors	Firm owned or significantly influenced by Key Management Personnel or their relatives
Infotechture Solutions Private Limited (formerly Paul Instacred Private Limited)	Private Company owned or significantly influenced by Key Management Personnel or their relatives
Pitaara Talkies Private Limited	Private Company owned or significantly influenced by Key Management Personnel or their relatives
Collective Media Ventures Pvt Ltd	Private Company owned or significantly influenced by Key Management Personnel or their relatives
ADB 21 Media Private Limited	Private Company owned or significantly influenced by Key Management Personnel or their relatives
Paul Fincare Private Limited	Private Limited Company in which relatives of Directors are Directors and Shareholders
Paul Infotech Private Limited	Wholly Owned Subsidiary
White Hill Distribution	Fim in which Director or relative of Director is a partner
Magical Vacation Travel & Tourism LLC	Limited Liability Corporation in which Managing Director of company is Partner & Manager

B. Related Party Transactions in Ordinary Course of Business

For the Year ended 31st March 2024

(Rs. In Lakhs)

Nature of Transaction	Directors	Key Management Personnel	Relative of Directors	Related Party	Total
Managerial Remuneration - Whole Time Directors	778.76				778.76
Remuneration - KMPs*		107.63	12.00	-	119.63
Rent Paid for Premises	30.15				30.15
Rent Received	-	-		4.81	4.81
Dividend Received	-	-			-
Commission for cross reference Sales	-	-		1.27	1.27
Sale of Goods/Services	35.54	0.20	14.53	48.45	98.72
Additional Borrowing from director	278.00				278.00
Additional Borrowing from Chairman & Managing Director	282.00				282.00
Additional Borrowing from Whole-time Director	30.00				30.00
Interest Exp on borrowing from director	5.47				5.47
Interest Exp on borrowing from Chairman & Managing Director	4.28				4.28
Interest Exp on borrowing from Whole-time Director	0.51				0.51
Loan & Advance repaid to Director	214.50				214.50
Loan & Advance repaid to Chairman & Managing Director	354.80				354.80
Loan & Advance repaid to Whole-time Director	30.00				30.00
Loan & Advance repaid by Whole Time Director	2.66				2.66
Advance to KMP		4.00			4.00
Loan & Advance repaid by KMP		1.48			1.48
Interest income on Loan & Advances given to related party				61.18	61.18
Interest income on Loan & Advances given to Whole Time Director	1.08				1.08
Interest income on Loan & Advances given to KMP		0.03			0.03

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

Please refer to Note 1 ,6 & 37 for details on Securities/Assets pledged and Corporate Guarantee given for Sanction of credit facility in Paul Merchants Finance Private Limited from Kotak Mahindra Bank Limited, ICICI Bank Limited, State Bank of India, AU Small Finance Bank , IDBI, Tata Capital Ltd., Capital Small Finance Bank, Uttkarsh Small Finance Bank, Cholamandalam Investment & Finance Co, Bajaj Finance Limited and Indian Overseas Bank

C. Related Party Transactions in Ordinary Course of Business for the Previous Year ended 31st March 2023

(Rs. In Lakhs)

Nature of Transaction	Directors	Key Management Personnel	Relative of Directors	Related Party	Total
Managerial Remuneration - Whole Time Directors	649.85				649.85
Remuneration - KMPs*		88.41	4.53	7.76	100.70
Rent Paid for Premises	27.91				27.91
Rent Received	-	-		3.99	3.99
Sale of Goods/Services	9.37		138.36	94.36	242.08
Borrowings	393.50				393.50
Service Charges Paid to related Party				4.97	4.97
Interest Exp on borrowing from director	6.29				6.29
Interest Exp on borrowing from Chairman & Managing Director	5.47				5.47
Interest Exp on borrowing from Whole-time Director	0.25				0.25
Loan & Advance repaid to Director	194.00				194.00
Loan & Advance repaid to Chairman & Managing Director	256.70				256.70
Advance repaid to Whole Time Director	22.00				22.00
Additional Borrowing from relative of director			30.00		30.00
Interest Exp on borrowing from related party				0.38	0.38
Interest Exp on borrowing from relative of director			6.01		6.01
Loan & Advance repaid to related party				15.00	15.00
Loan & Advance repaid to relative of Director			153.50		153.50
Loan & Advance given to related party				800.00	800.00
Interest income on Loan & Advances given to related party				15.62	15.62
Interest income on Loan & Advances given to Whole Time Director	0.90				0.90
Advance paid to Whole Time Director	13.16				13.16

Note 40. Deferred Tax

(As per IND AS 12 Income taxes)

(Rs. In Lakhs)

Deferred Tax Assets on Account of Timing Differences	As at 01.04.2023	Arising During the Year	As at 31.03.2024
Depreciation	88.54	3.32	91.86
Provision for Gratuity	75.45	22.66	98.12
Provision for Bonus	27.32	10.53	37.86
Provision for Leave encashment	-	-	-
Unrealized Loss on Investments	3.15	(3.15)	-
Interest cost on Car Loan	-	(0.51)	(0.51)
Impairment Loss	84.42	-	84.42
Payable related to direct Assignment	-	16.64	16.64
IndAS Adjustment	(27.12)	(8.64)	(35.76)
Deferred Tax Liability			
Unrealized Gain on Investments	-	(3.81)	(3.81)
Net Deferred Tax Asset	251.76	37.06	288.82

Note 41. Segment Reporting

As per IND AS-108 on Segment Reporting, segment Information is provided below:

(Amount Rs in Lakhs)

Sr. No	PARTICULARS	For the Year ended 31st Mar 2024	For the Year ended 31st March 2023
1	Segment Revenue		
(a)	Forex	649,592.07	689,288.74
(b)	Travel	554.18	640.28
(c)	Gold Loan	16,201.17	10,555.97
(d)	Others	310.22	615.28
	Total	666,657.64	701,100.28
	Less: Inter Segment Revenue		
(a)	Forex	0.00	0.00
(b)	Travel	0.00	0.00
(c)	Gold Loan	0.00	0.00
(d)	Others	0.00	0.00
	Net sales/Income From Operations	666,657.64	701,100.28
2	Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)		
(a)	Forex	1,658.84	1,841.58
(b)	Travel	-20.23	48.33
(c)	Gold Loan	10,241.43	6,229.03
(d)	Others	-148.67	168.33
	Total	11,731.36	8,287.26
	Less:		
i)	Interest	4,260.45	2,017.53
ii)	Other Un-allocable Expenditure net off	794.05	487.79
iii)	Un-allocable income	603.31	180.26
	Total Profit Before Tax	7,280.17	5,962.21
	Segment - International Money Transfer (Discontinued)		
	Total Profit Before Tax (Continuing and Discontinued Operations)	7,280.17	5,962.21
3	Segment Assets		
(a)	Segment - Forex	2,711.09	2,772.02
(b)	Segment - Travel	699.20	506.15
(c)	Segment - Gold Loan	95,338.69	69,799.58
(d)	Segment - Others	0.00	0.00
(e)	Unallocated Assets	16,883.74	15,908.61
	Total	115,632.71	88,986.36
4	Segment Liabilites		
(a)	Segment - Forex	2,484.97	2,464.46
(b)	Segment - Travel	454.90	136.09
(c)	Segment - Gold Loan	47,931.88	28,737.58
(d)	Segment - Others	0.00	0.00
(e)	Unallocated Liabilities	8,240.81	6,571.65
	Total	59,112.57	37,909.78
5	Capital Employed		
(a)	Forex	226.12	307.56
(b)	Travel	244.29	370.06
(c)	Segment - Gold Loan	47,406.81	41,062.00
(d)	Others	0.00	0.00
(e)	Unallocated Assets	16,883.74	15,908.61
(f)	Unallocated Liabilities	8,240.81	6,571.65
	Total	56,520.15	51,076.58

Note: Gold Loan business has been shown as a separate business segment w.e.f. year ended 31st March 2024, therefore the previous year figures have also been rearranged.

Note 42. Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements

Name of the Company	Amount (Rs in Lakhs)						
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in comprehensive income		
	as %age of consolidated net assets	Amount (Rs in Lakhs)	as %age of consolidated profit or loss	Amount (Rs in Lakhs)	as %age of consolidated other comprehensive income	Amount (Rs in Lakhs)	
Paul Merchant Limited	61%	47,626.39	46%	2,612.48	110%	(20.86)	2,591.62
Subsidiary Companies:		-		-			
Paul Merchants Finance Private Limited	36%	27,723.56	54%	3,053.40	-10%	1.86	3,055.26
PML Realtors Private Limited	3%	2,709.62	1%	29.72	0%	-	29.72
Paul Infotech Private Limited	0%	24.60	0%	(0.40)		-	(0.40)
Joint Venture (Investment as per Equity Method):							
M/s Horizon Remit BHD. SDN ., Malaysia	0%	-		-		-	-
Paul Tech Park LLP	0%		0%				-
Paul Innovations LLP	0%		0%	-			-
Sub Total	100%	78,084.17	100%	5,695.19	100%	(19.00)	5,676.20
Adjustments arising out of consolidation		(21,564.02)		(232.63)			(232.63)
TOTAL		56,520.15		5,462.56		(19.00)	5,443.57

Note 43. Financial Ratios

Particulars	As at 31st March 2024	As at 31st March 2023	% Change during the year	Numerator	Denominator	Reasons for change
(a) Current Ratio	2.46	2.96	-16.89	Current Assets	Current Liabilities	Borrowings increased at year end
(b) Debt - Equity Ratio	87.19%	60.14%	44.96	Borrowings	Equity	Interest cost increased due to new borrowings added during the year
(c) Debt Service Coverage Ratio	2.41	3.73	-35.42	Profit After tax, depreciation & interest	Interest Expense+Principal amount of current maturities of long term debts	
(d) Return on Equity Ratio	9.66%	8.62%	12.16	Profit after tax	Equity	
(e) Inventory turnover Ratio	40.59	87.15	-53.43	Purchases	Average Inventory	Purchases decreased as compared to previous year
(f) Trade Receivables turnover Ratio	5.60	6.74	-16.91	Credit sales during the year	Average Trade Receivables	Credit sales decreased as compared to previous year
(g) Trade payables turnover Ratio	4.58	3.95	15.82	Credit purchase during the year	Average Trade Payable	Credit purchase increased as compared to previous year
(h) Net Capital turnover ratio	10.40	12.94	-19.56	Revenue from operations	Working Capital (CA-CL)	
(i) Net profit Ratio	0.82%	0.63%	30.49	Profit after tax	Total Income	Due to improved operating performance
(j) Return on Capital employed	10.77%	9.41%	14.36	EBIT	Capital Employed	
(k) Return on investment	10.62%	3.69%	188.22	Interest & dividend income from investments	Current & Non current investment	Interest & Dividend income increased compared to previous year

Note 44. Other Notes

- a Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.
- b The previous Year figures have been regrouped /re-classified /re-stated wherever necessary to conform with the current presentation.
- c Notes form integral part of Accounts for the year ending 31st March 2024
The company has availed finance facilities from banks and other financial institutions against security of current assets and the quarterly statements submitted to bank in respect of the same are in agreement with the books of accounts. Further all banking facilities obtained by the company during the year have been utilised for the specified purposes only. All charges in respect of the finance facilities have also been duly registered with the Registrar of Companies within specified time under the Companies Act 2013.
- e The company confirms that title deeds of all immovable properties accounted in the financial statements are held in name of the company. No proceedings are pending against the Company for holding any Benami property under the Benami Property (Prohibition) Act , 1988 (45 of 1988)and the rules made thereunder.
- f The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- g The company does not have any transaction with the Strike Off Companies in the Financial Year .
- h No registration or satisfaction of charges are pending to be filed with ROC.
- i There are no undisclosed income /transactions which has been surrendered during the year as per income tax act, 1961
- j The company has not traded or invested in crypto currency or virtual currency during the financial year.
- k There is no scheme of Amalgamation/Merger is approved by Court/NCLT, as no such case for Amalgamation/Merger related to company is pending before any Court/NCLT.
- l Additional information pursuant to Schedule III Division II part I & II of the Companies Act. 2013 other than stated above is either NIL or Not Applicable.

PLACE: CHANDIGARH

Dated : 16.05.2024

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

For & on Behalf of Board of Directors

SD/-
RITESH VAID
Whole Time Director
DIN- 09433856
H.NO.17/2,Sigma City-1
Lohgarh Road,Zirakpur

SD/-
RAJNEESH BANSAL
Managing Director
DIN-00077230
H.NO. 749
Sec 8, Chandigarh

SD/-
HARDAM SINGH
Company Secretary
FCS-5046
H.NO. 12D,Angel Appt.
Green Enclave,Zirakpur

SD/-
NAVEEN K. LAROIYA
Chief Financial Officer
FCA-088257
H.No.1102Tower j,Victoria Heights
Peer Muchalla,Zirakpur

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

SD/-
C.A. ROHIT GOEL
Partner
(M. No. 091756)
UDIN 24091756BKHIWO2723



PAUL MERCHANTS Ltd.[®]