

**TRANSCRIPT OF 36<sup>th</sup> ANNUAL GENERAL MEETING OF PAUL MERCHANTS LIMITED HELD ON TUESDAY THE 29<sup>th</sup> DAY OF SEPTEMBER, 2020 AT 12: 00 NOON THROUGH VIDEO-CONFERENCING FACILITY**

**At 12:00 Noon – Mr. Hardam Singh, Company Secretary and Compliance Officer:**

Dear shareholders, respected members of the board and the senior colleagues who have joined the meeting as panellists, I extend a warm welcome to all of you to the 36<sup>th</sup> Annual General Meeting of Paul Merchants Ltd, which is being held through video conferencing mode as per the guidelines of Ministry of Corporate Affairs and Securities and Exchange Board of India and we are holding it through Video Conferencing facility of Webex through CDSL. My name is Hardam Singh, I am Company Secretary and Compliance Officer of the Company. I am joining the meeting from Chandigarh. Before starting the proceedings of the AGM, I wish to highlight certain points for the benefit of the shareholders. Joining of the meeting has been made 30 minutes open before the scheduled time of commencement of meeting which is 12.00 Noon and it will remain open for 15 minutes after the end of the proceedings of meeting for the purpose of Evoting. Members are encouraged to join the meeting through their laptops and headphones for a better experience and use internet with a good speed to avoid any disturbance during the meeting. Participants connecting from mobile devices or tablets or through laptops connecting via a mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use a stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches. As mentioned in the notice of the AGM, the facility of participation at the AGM through video conferencing or other audio/visual means has been made available for 1000 members on first come first serve basis, except for large shareholders, promoters, institutional investors, directors, Key Managerial Personnel, the chairperson of the Audit Committee, nomination and remuneration committee, and Stakeholders Relationship Committee as well as the auditors who are allowed to attend the AGM without any restrictions on account of first come first serve basis. Pursuant to the guidelines issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body corporates are entitled to appoint authorized representatives to attend the AGM through VC/other audio/visual means and participate and cast their votes through e-voting. The registered office of the Company is located at DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi - 110015 and it shall be deemed to be the venue of this AGM and the proceedings of the AGM shall be deemed to be made thereat. The Company had provided the shareholders an opportunity to inspect all documents referred to in the notice and the explanatory statement by writing to the Company at its email Id at [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net) till the date of AGM. The Register of Directors & KMPs and their shareholding, Register of Contracts in which Directors are interested and Register of Members as maintained by RTA are available for inspection electronically till conclusion of this AGM to the shareholders who had submitted their requests in this regard to the email ID of the company investor.redressal@paulmerchants.net. We have received requests from 3 members for registration as a speaker shareholder in the AGM today. We shall be allowing them to speak once the Chairman directs the same. We request speakers to limit their speeches to 5 minutes for the benefit of other shareholders. Shareholders who have not registered themselves as speakers and who are attending this meeting through VC today may also express their views and raise

questions, if they have any, in the chat box. The Board would be responding to such queries suitably.

Now as per the provisions of the articles of association of the company, the board members present here should elect one of them as Chairman for the meeting. I therefore request the Board members to start the process of election of Chairman please

Over to the members of the Board:

**Mr. Ajay Arora:-** I, Ajay Arora, Independent Director propose the name of Mr. Rajneesh Bansal as the Chairman.

**Mr. Dharam Pal Sharma:-** I am Dharam Pal Sharma. I am a Whole Time Designated Director in the company and I am joining the meeting from Panchkula, Good Afternoon everybody. I second the proposal of Mr. Ajay Arora.

**Mr. Vigyan Prakash Arora:-** Good morning everyone, I am Vigyan Arora, I am an Independent Director in the Company and I propose and second the name of Mr Rajneesh Bansal, who is the Managing Director in the Company as a Chairman for this meeting. I am attending the meeting from Panchkula.

**Mr. Hardam Singh:-** I thank the honourable members of the board for electing the Chairman. I now hand over the further proceedings of the AGM to the Chairman Mr Rajneesh Bansal

**Mr. Rajneesh Bansal:** Thank you Hardam and thank you the respected members of the board. I am Rajneesh Bansal and I am the Managing Director of the company. I would like to mention that in view of the massive outbreak of the Covid-19 pandemic, social distancing is a norm to be followed and therefore, this Annual General Meeting today has been convened through video conferencing means in compliance with the Companies Act 2013, read with specific circulars dated 8th April 2020, 13th April 2020 and 5th May 2020 issued by the Ministry of Corporate Affairs, Government of India and SEBI Circular dated 12-05-2020, which exempt physical attendance of the members to the AGM venue. The quorum being present, I declare the meeting to be open. Now I request my other colleagues on the Board of the Company to introduce themselves. Mr. Vigyan Arora.....

**Mr. Vigyan Arora:** Good morning everyone. I am Vigyan Arora. I am an independent director of the company. I am the Chairman of the Audit Committee as well as Stakeholders' Relationship Committee of the board and also is a member of Nomination and Remuneration Committee and CSR Committee of the Company. Thank you. I am joining the meeting from Panchkula.

**Mr. Dilbag Singh Sidhu:-** Good afternoon. I am Dilbag Singh Sidhu, Independent Director and I am also the Chairman of the Nomination and Remuneration Committee. Presently, I am speaking from Ludhiana and joining you for the meeting.

**Mr. Ajay Arora:-** Good afternoon. My name is Ajay Arora. I am an independent director of the company. I am a Member of the Audit Committee. I am joining the meeting from Chandigarh

**Mr. Dharam Pal Sharma**: Good afternoon Sir. I am Dharam Pal Sharma, Whole Time Designated Director in the Company and I am joining the meeting from Panchkula.

**Ms. Bhupinder Kaur**:-Hello. I am Bhupinder Kaur, CFO of the Paul Merchants Limited and I have joined this meeting from Chandigarh.

**Mr. Rajneesh Bansal**:- The members may also note that Mr. Krishan, the Partner of M/s Jain and Associates, Chartered Accountants, the Firm which had conducted the statutory audit of the company for the financial year 2019-20, Mr. Anil Negi, the secretarial auditor of the company, Mrs Sarita Rani, Director and Mr. Kanwaljit Singh Thanewal, the scrutiniser for this AGM, all are present in the meeting through video conferencing mode. Mr. Sandeep Bansal and Mr Arjun Pandurang Ghugal, Directors could not attend the AGM due to their other preoccupations. The members may please note that this AGM is being held in line with the guidelines of the Ministry of corporate affairs and securities and exchange Board of India, on the subject of participation of the members through Video Conferencing in the wake of COVID-19 pandemic. The facility of e-voting system is available for the purpose of conducting a poll during this meeting. All efforts feasible under the circumstances have been made by the Company to enable members to participate and vote on the items being considered in the meeting. I again extend a warm welcome to all the shareholders of the Company to the 36<sup>th</sup> Annual General meeting of the company. The complete annual report of the company for the financial year 2019-20 including the notice convening this AGM had been emailed to all the members on 2<sup>nd</sup> of September, 2020. I believe that the members have gone through the Notice, Explanatory Statement, Board of Directors Report, Financial Statements & Auditors Report thereon and with the permission of the members, I wish to take the same as read. In the month of March, 2020, due to the announcement of Lockdown/Curfew in various States/Union Territories by the State governments and Union Government in order to prevent and contain the spread of Covid-19 and keeping in view the safety and well being of the employees, the Company Paul Merchants Limited and its Wholly Owned Subsidiary Company Paul Merchants Finance Private Limited had temporarily closed its Registered Office and Branches across India w.e.f. 23<sup>rd</sup> March, 2020. However the Company managed to keep its treasury, accounts and back office teams operational due to work from home arrangements and some part of Gold loan operations was also sustained by the Wholly Owned Subsidiary. The spread of covid-19 and consequent closure of branches had adversely affected the Company's top line as well as bottom line. At that time, the Company was left with only 20% of forex business and Travel business was almost NIL. However, in accordance with the Guidelines/ Compliance norms issued/ suggested by the Central Government, State Governments and local authorities from time to time, the Company Paul Merchants Limited and its Wholly Owned Subsidiary Company Paul Merchants Finance Private Limited gradually started opening its branches in various states and as of now, full operations have been started. 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. 5343.68 Crores and from Tours & Travel Segment stood at Rs. 4.13 Crores. Gross revenue from International Money Transfer stood at Rs. 71.65 Lakhs. The Profit before tax stood at Rs. 16.56 Crores and Profit after tax

stood at Rs.11.90 crores after adjusting for deferred Tax. Retail business of Forex continues to be the key segment and strength of the company and the same is reflected in the fact that it has contributed to the extent of 76% of the total turnover. In non AD-II segment of Forex Vertical, Company has been able to register an income of Rs.3.65 crores as against the previous year's figures of Rs. 2.77 crores during the year under review. During the year under review, total Revenue from operations of the Company on consolidated basis was Rs. 5401.12 crores, Consolidated Profit before tax (PBT) for year under review was Rs. 35.76 Crores (including Share of Loss in JV) and Consolidated Profit after tax was Rs. 26.37 crores. The Company is taking appropriate steps to improve the operations of the Company and ensuring the safety of its employees and also to manage its liquidity position and to prepare itself to work under the new environment of Covid. The company's budget for its CSR programs was Rs. 46.50 Lakhs in the FY 2019-20 and against this budget, the company has spent Rs. 48,94,450/-. The prominent projects covered under company's CSR program are eradicating hunger, preventive healthcare, promotion of education, setting up of an Old Age Home and Promoting employment enhancing vocational skills. Further details are given in the annual report under the heading annual report on CSR activities as Annexure D-7. I wish to express my gratitude towards the government departments and the regulators who are regulating the foreign exchange business in India to keep the nefarious elements away from the organised sector. I also thank the employees of the company for working hard to sail the company out of the present problematic phase churned out by COVID. The ordinary business proposed to be transacted in this AGM include adoption and approval of standalone and Consolidated annual accounts of the company, reappointment of directors who are liable to retire by rotation and to appoint statutory auditors in place of the retiring auditors. These items are self explanatory in nature. The Special business includes reappointment and fixation of remuneration of Managing Director and Designated Whole Time Director. The implications of the resolution relating to appointment of Statutory Auditors and the Special resolutions are as per the explanatory statement annexed to the notice convening the AGM as given in the annual report. Members may seek clarifications and/or offer comments related to any item of business, which will be addressed suitably. Now I request Mr. Hardam Singh, Company Secretary of the company to read out the resolutions proposed in the notice.

**Hardam Singh:-**Yes Thank You sir. The resolutions proposed to be carried in the AGM are:

1. **Resolution 1:** To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon (as an Ordinary Resolution)
2. **Resolution 2:** To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Report of the Auditors thereon (as an Ordinary Resolution). The members may please note that the statutory auditors of the Company have issued their reports on both the above sets of annual accounts of the company for the year ended 31<sup>st</sup> march, 2020 and their reports do not contain any adverse remark or qualification. Their reports are already annexed with Annual Report sent to the members and for the ready reference of the members, I read out the relevant paras from the respective Auditors Reports:-

In case of Stand Alone 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, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

In case of 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, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Resolution 3:** To appoint a Director in place of Sh. Dharam Pal Sharma (DIN 07284332) who retires by rotation and being eligible, offers himself for reappointment (as an Ordinary Resolution)

**Resolution 4:** To appoint a Director in place of Sh Rajneesh Bansal (DIN 00077230) who retires by rotation and being eligible, offers himself for reappointment. (as an Ordinary Resolution)

**Resolution 5:** To confirm payment of Interim Dividend as Final Dividend on Equity Shares declared and paid by the Board of Directors, for the Financial Year 2019-20 (as an Ordinary Resolution)

**Resolution 6:** Appointment and fixation of remuneration of statutory auditors. The members may note that the term of current statutory auditors of the Company M/s Jain and Associates, was up to the conclusion of the current annual general meeting of the company as per the provisions of the Companies Act. The Board, on the recommendation of the Audit Committee proposed the appointment of M/s Rajiv Goel & Associates, Chartered Accountants (Firm Registration No. 011106N), SCO 823-824, 1st Floor, Sector 22-A, Chandigarh. The Ordinary Resolution regarding their appointment and remuneration proposed to be paid to them has been set out at Sr. no. 6 of the notice

Further, there are two items of special business to be transacted in this AGM.

**Resolution 7:** Re-appointment of Sh. Rajneesh Bansal (DIN 00077230) as Executive Director w.e.f. 01-04-2020 and his appointment as Managing Director (a Whole Time Key Managerial Personnel) of the Company, not liable to retire by rotation w.e.f. 01-09-2020, for a term ending on 31-03-2025. 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, Mrs. Sarita Rani Bansal and Mr. Sandeep 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. Further, Mrs Nita Bansal, who holds 5240 equity shares in the Company is also interested in this resolution as she is wife of Mr. Sandeep Bansal, Director of the Company. Accordingly they are not entitled to vote on this item. No other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution

**Resolution 8:** Re-appointment of Mr. Dharam Pal Sharma (DIN 07284332), as Designated Whole Time Director of the Company, liable to retire by rotation, for a period of 5 (Five) years commencing from 01-04-2020 and ending with 31-03-2025. The appointee Director Mr. Dharam Pal Sharma 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. 8 of the Notice

Various other terms and conditions relating to these special resolutions and also relating to the ordinary resolution regarding appointment of M/s Rajiv Goel & Associates as the statutory auditors of the company, are given in the explanatory statement appended to the notice of the AGM. I believe the members have gone through the same. Remote e-voting facility had been extended to the shareholders of the company to vote on all these resolutions from 09:00 a.m. (IST) on Saturday, September 26, 2020 upto 05:00 p.m. (IST) on Monday, September 28, 2020 and they have also been given the option to vote through e-voting process during this AGM. I also like to add here that the secretarial auditors of the Company have issued their secretarial audit report for the year ended 31<sup>st</sup> march, 2020 and their report do not contain any adverse remark or qualification. I now request the Chairman to guide and enlighten the members on the evoting part.

**Rajneesh Bansal:-** I like to inform all the esteemed members attending this meeting that after the end of the proceedings of this AGM, they can cast their vote electronically if they have not done it earlier by remote evoting. As informed by the company secretary, the members had been provided the facility of remote evoting in respect of the resolutions as set out in the Notice of the AGM. In addition, the electronic voting system is also available during the AGM. The member who are attending the meeting, if they had not cast their vote by remote evoting earlier are entitled to cast their vote by electronic means during the AGM. Mr. Kanwaljit Singh Thanewal, Practising Company Secretary, (having membership number No. 5901) shall be the Scrutinizer for the evoting today and also for the remote evoting done by the members. The scrutiniser 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 scrutiniser's report of the total votes

cast in favour or against, if any, to the Chairman of the Meeting. The result of the e-voting shall be declared on Wednesday, September 30, 2020 at 2.00 PM at Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022. The result declared along with the Scrutinizer`s report shall be placed on the website of the Company ([www.paulmerchants.net](http://www.paulmerchants.net)) and on the website of CDSL ([www.cdslindia.com](http://www.cdslindia.com)) immediately after the result is declared and shall simultaneously be forwarded to 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. All the businesses set out in the notice of the AGM has been concluded and a time period of 15 minutes shall be provided to the members for the purpose of e-voting. Now, may I request the shareholders who have registered themselves as speakers, to ask their questions which will be replied by the board suitably.

**Mr. Hardam Singh:-** There are total 3 shareholders who have registered themselves a speakers. Now I request the Event Host to allow Mr. Bhupendra Singh to ask his question:-

**Mr. Bhupendra Singh:** (He spoke in Hindi) Respected Chairman sir. I got answers to almost all my questions in your speech. I just want to ask you that in this Covid period, how much the Balance Sheet of the Company has been impacted by the Covid-19 and how much time it will take to recover from it? My second question is that the share price of the Company, which has been declining, have you thought something about it? Because any shareholder who invests his money in the Company, is interested in two things- either the share price goes up or he gets good dividend. In the matter of dividend, our Company is not that generous as it should have been as is the working of the Company. Along with this, it is a good fact that our Company has good employees who are working hard and with passion, still the result is not coming to that extent. I will make a specific mention of Mr. Hardam Singh, who in this time arranged us to meet like this and gave us the opportunity to voice our views. I extend thanks to him. And I believe that he will continue to look after the interests of the shareholders in the future also. Chairman sir, please also let me know about the CSR activities carried out in the period of COVID-19 by the Company as shareholders wants to know about it.

Thanking You.

**Mr. Rajneesh Bansal:-** Ms. Bhupinder Kaur can you please answer the questions?

**Mr. Hardam Singh:** Mr. Bhupendra Singh, we will come back to you as we will take questions of other shareholders also and will reply to the same collectively.

**Mr. Hardam Singh:-** Now I request the Event Host to unmute Mr Gagandeep Singh Reen so that he can answer his question. Mr. Gagandeep Singh Reen is not visible, I think he has not attended.

**Event Host----**Mr. Gagandeep Singh Reen not present at the moment.

**Mr. Hardam Singh:-** ok. The next shareholder is Palvee Madan.

**Event Host**----Sir, Ms. Palvee Madam has not joined the meeting.

**Mr. Hardam Singh:** ok. We can go ahead with answering the questions raised by Mr. Bhupendra Singh. I would request the CFO, in case she can suitably answer to the questions of recovery from COVID-19 and how the Company has fared.

**Mr. Rajneesh Bansal:** Yes Ms. Bhupinder Kaur, please answer.

**Ms. Bhupinder Kaur:** Regarding the Covid period, As there was industry wide impact, we also faced the Covid impact in first quarter. We expect to recover the losses and be in profits by end of the year. The first quarter was badly impacted but we are already on path of recovery and already recovered TT business upto 70% . As per the CSR Activities, I may request Mr. Hardam Singh to enlight what activities had been taken? I hope I have answered the question.

**Mr. Hardam Singh:** Ms. Bhupinder Kaur, you can also answer the question regarding the CSR activities undertaken by us during the COVID period.

**Ms. Bhupinder Kaur:** During the Covid period We have contributed approx. Rs 30 lacs in PM Care Fund, Punjab Chief Minister Covid Relief Fund and Indian Red Cross Society Fund all for cause of Covid.

**Mr. Hardam Singh:** Mr. Bhupendra Singh, regarding your question regarding the share price, as you are a very learned & aware person so you must be aware of the fact that the Company cannot exercise any control over the share price and the share price is actually determined by the market forces, purely by the people who are buying and selling so the Company has not any dictation on the share price and as for dividend is concerned we have always tried to reward the shareholders who are with the Company and this year also we had declared & paid the Interim Dividend which is being confirmed by the shareholders in this AGM. Next year also we will definitely try, and of course the matter will be placed before the Board as it is the prerogative of the Board to decide and review the position and then to declare the dividend. But definitely I can tell you the spirit of the Company that anybody who is associated with the Company, this has been a philosophy and policy of the Company to reward them & to carry them along with Company. So, I hope all questions have been answered. There are no questions in the chat Box also. So now I request the Managing Director Mr Rajneesh Bansal to extend a vote of thanks to everyone and to allow evoting on the resolutions.

**Mr Rajneesh Bansal:-** Thank you Hardam. I would like to express my heartfelt gratitude towards all the esteemed shareholders of the company for being with the company, to all my colleagues on the board of directors of the company, to the senior management team of the company and all the employees of the company. Members attending the AGM today who have not already cast their vote by remote e-voting may cast their vote on the e-voting platform now. You are given 15 minutes time for e-voting. I once again thank you all for participating in the AGM.

**Hardam Singh:** now that the proceedings of the 36<sup>th</sup> annual general meeting of the company are over, I request the shareholders of the company to cast their votes by electronic voting system by using their login credentials. As explained by the chairman, after the e-voting during this AGM the scrutiniser shall take the required steps and the result of the voting shall be declared on Wednesday, September 30, 2020 at 2.00 PM at Corporate Office of the Company. The Panellists can now leave the meeting and the e-voting platform will remain open for 15 minutes time. I extend a formal vote of thanks to the chair. Thank you very much.