



PAUL MERCHANTS

Paul Merchants Limited

An ISO 9001 : 2015 Certified Company CIN : L74900DL1984PLC018679

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

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

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

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

www.paulmerchants.net info@paulmerchants.net

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

PML/BSE/CS/2022/695
Date: February 23, 2022

SUBJECT: - NOTICE OF POSTAL BALLOT AND EVOTING

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SCRIP CODE: 539113

Dear Sir/ Madam,

This is for your information and records that we have sent the Notice of Postal Ballot and Evoting to the Shareholders of the Company and to others entitled to receive the notice, through permitted mode in compliance with provisions of Section 108 and 110 of the Companies Act, 2013 (the "Act"), read together with the Rule 20 and Rule 22 of Companies (Management and Administration) Rules, 2014 (the "Management Rules") and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and General Circular No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, No. 10/2021 dated June 23, 2021 and 20/2021 dated December 8, 2021 issued by the Ministry of Corporate Affairs.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read over with SEBI Circular no. CIR/CFD/CMD/4/2015 dated September 09, 2015, please find below the information in this regard as per format prescribed in the said SEBI Circular:-

- a. **Date of Notice:** Notice of Postal Ballot and Evoting dispatched/issued to shareholders and to others entitled to receive the notice on 22nd February, 2022;
- b. **Brief Details viz. agenda proposed to be taken up, resolution to be passed:**
 - i. Agenda proposed to be taken up: As per Notice of Postal Ballot attached;
 - ii. Resolution to be passed: As per Notice of Postal Ballot attached;
 - iii. Manner of approval proposed: Remote E-voting only.



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The said Postal Ballot Notice is also available on the website of the Company at <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/02/Postal-Ballot-Notice.pdf>, where further details are available relating to the notice.

You are requested to take the same on your records.

Thanking You.

Yours faithfully,

For **PAUL MERCHANTS LIMITED,**



(HARDAM SINGH)
COMPANY SECRETARY & COMPLIANCE OFFICER
FCS 5046



Encl: Notice of Postal Ballot



CORP. OFF.: PML House, SCO 829-830, Sector 22-A, Chandigarh - 160 022 Ph. 0172-5041786, 5025090 Fax : 0172-5041709

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

REGD. OFF.: DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi-110015 Ph. : 011-48702000

Postal Ballot and Evoting Notice

Pursuant to Section 110 and 108 of the Companies Act, 2013 read with Rules 22 and 20 of the Companies (Management and Administration) Rules, 2014

Dear Shareholder(s),

Notice is hereby given to the shareholders of PAUL MERCHANTS LIMITED pursuant to the provisions of Section 108 and 110 of the Companies Act, 2013 (the "Act"), read together with the Rule 20 and Rule 22 of Companies (Management and Administration) Rules, 2014 (the "Management Rules") and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and General Circular No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, No. 10/2021 dated June 23, 2021 and 20/2021 dated December 8, 2021 issued by the Ministry of Corporate Affairs ("MCA Circulars") and other applicable provisions of the Act and the Rules made thereunder, including any statutory modification or re-enactment thereof for the time being in force and, that the resolutions appended below are proposed to be passed by the shareholders through postal ballot only by voting through electronic means.

An Explanatory Statement pursuant to Sections 102 and other applicable provisions, if any, of the Act pertaining to the said resolutions, setting out the material facts and the reasons thereof is annexed to this Postal Ballot Notice for your consideration.

In accordance with the applicable provisions of the Companies Act, 2013, applicable Rules framed thereunder and the aforesaid MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Depositories. If your e-mail address is not registered with the Depositories, please follow the process provided in the Notes to receive this Postal Ballot Notice and login ID and password for remote e-voting. The communication of the assent or dissent of the Members would only take place through the remote e-voting.

In accordance with the provisions of the MCA Circulars, the Company has made arrangements for the shareholders to register their e-mail addresses. Therefore, those shareholders who have not yet registered their e-mail addresses are requested to register the same by following the procedure set out in the notes to this Postal Ballot Notice.

The Board of Directors of the Company, at its meeting held on 10-02-2022, have appointed Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (Membership No. FCS No 5901 and CP No 5870), SCO 64-65, Sector 17 A, Chandigarh as the Scrutinizer, for conducting the postal ballot, only through the e-voting process, in a fair and transparent manner. Central Depository Services (India) Limited (CDSL) will be facilitating e-voting to enable the Shareholders to cast their votes electronically. Members are requested to read the notes to the Notice and instructions for e-voting.

The postal ballot/ E-voting period commences on Monday, February 28, 2022 (09:00 hours IST) and ends on Tuesday, March 29, 2022 (17:00 hours IST). In the event the draft resolutions as set out in the Notice are assented to by the requisite majority by means of remote e-voting, it shall be deemed to have been passed as if they have been passed at a General Meeting of the shareholders and shall be deemed to have been passed on the last day of remote e-voting i.e. March 29, 2022. Upon completion of e-voting, the Scrutinizer will submit his report to the Chairman of the Company (the "Chairman") or a person authorised by him in writing. The result shall be declared by the Chairman of the Company or a person authorised by him in writing on or before Thursday, March 31, 2022 at 5.00 PM at Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022. The Result shall be communicated on the same day to the stock Exchange i.e. BSE Ltd at www.bseindia.com, Depositories, Registrar and Share Transfer Agent and shall also be displayed on the Company's Notice Boards in Registered Office at New Delhi and Corporate Office at Chandigarh. Further, the Result along with the Scrutinizer's Report shall also be displayed on Company's website www.paulmerchants.net and on the website of CDSL i.e. www.cdslindia.com/ www.evotingindia.com.

RESOLUTION- SPECIAL BUSINESSES

1. TO APPOINT MR. RITESH VAID (DIN: 09433856) AS WHOLE TIME DIRECTOR AND DESIGNATED DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:-

“RESOLVED THAT subject to the provisions of Section 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable Rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force), on the recommendation of the Nomination and Remuneration Committee, consent and approval of the Members of the Company be and is hereby accorded to the appointment of Mr. Ritesh Vaid (DIN: 09433856), who was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 10.02.2022 pursuant to the provisions of Section 161 of the Companies Act, 2013 (“Act”) and the Articles of Association of the Company and who holds office up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting of the Company should have been held, whichever is earlier, and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from him, pursuant to the provisions of Section 160 of the Act, signifying his intention to propose his candidature for the office of Director, as Whole Time Director and Designated Director of the Company, liable to retire by rotation, for a period commencing from 10.02.2022 and ending with 30.09.2026, on the following terms and conditions and payment of remuneration:-

- a. Annual Remuneration within the range of Rs. 24 Lakhs to Rs. 34 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 10.02.2022 till 31.01.2025
- 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

RESOLVED FURTHER THAT the above remuneration of Mr. Ritesh Vaid (DIN: 09433856) shall be subject to Section 197 and other relevant Sections and Rules under the Companies Act, 2013 and the payment of Remuneration as above to Mr. Ritesh Vaid (DIN: 09433856), Whole Time Director and Designated Director shall be irrespective of amount of profits of the Company computed under section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT with the payment of Remuneration as above to Mr. Ritesh Vaid (DIN: 09433856), the remuneration of other Whole Time Directors/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 or any officer(s) authorized by 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 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 and Mr. Ritesh Vaid (DIN: 09433856), subject to the provisions of all applicable Laws.”

2. TO INCREASE THE THRESHOLD LIMITS APPLICABLE FOR EXTENDING LOANS/ GIVING GUARANTEES, PROVIDING OF SECURITIES AND MAKING INVESTMENTS IN SECURITIES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:-

“**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Act and Rules framed thereunder (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent and approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board including the powers conferred under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject to the fact that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporates along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time in future, shall not exceed a sum of Rs 100 Crores (Rupees One Hundred Crores only) over and above the limits as prescribed under Section 186 of the Companies Act, 2013, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors (or a Committee thereof constituted to exercise the powers conferred on the Board including the powers conferred under this resolution) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

Registered office

DSM 335, 336, 337, 3rd Floor, DLF Tower, 15,
Shivaji Marg, Najafgarh Road,
New Delhi -110015

By order of Board of Directors

for **PAUL MERCHANTS LIMITED**

Date: February 10, 2021
Place: Chandigarh

Sd/-
HARDAM SINGH
(COMPANY SECRETARY)
Membership No. FCS – 5046
12-D, Angel Apartments, Green Enclave, Zirakpur (Pb)

Notes:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 (Act) read with para 16.4.5 of the Secretarial Standards-2 stating all material facts and the reasons for the proposed resolutions are annexed herewith. In terms of Section 110 of the Act read with the Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, the items of business as set out in the Notice are sought to be passed by Postal Ballot only through e-voting.
2. This Postal Ballot Notice is being sent to all the shareholders of the Company through electronic mode only, whose names appear in the Register of Members/Records of Depositories as on the close of working hours on February 18, 2022 i.e. “the cut-off date”.
3. Shareholders whose names appear on the Register of Members/List of Beneficial Owners as on February 18, 2022 will be considered for the purpose of evoting. A person who is not a shareholder as on the cut-off date should treat this Postal Ballot Notice for informational purposes only.
4. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company or its RTA in accordance with Note 18(a) given below.
5. Members may note that pursuant to the MCA Circulars, the Company has additionally enabled a process for the limited purpose of receiving shareholder communications and the Members may update their email address by sending their request to investor.redressal@paulmerchants.net vide prescribed form ISR-1.
6. Resolutions passed by the shareholders by the requisite majority through postal ballot shall deemed to have been passed as if they have been passed at a General Meeting of the shareholders and shall be deemed to have been passed on the last day of remote e-voting i.e. March 29, 2022.
7. The Company has appointed Mr. Kanwaljit Singh, Practising Company Secretary (Membership No. FCS No 5901 and CP No 5870) as Scrutinizer for conducting the Postal Ballot/ E-voting in accordance with the law in a fair and transparent manner.
8. In line with the MCA Circulars, postal ballot forms and prepaid Business Reply Envelopes in physical form are not being sent to Shareholders for this Postal Ballot. Shareholders who have registered their e-mail ids for receipt of documents in electronic mode are being sent Notice of Postal Ballot by e-mail.
9. The voting rights of the shareholders shall be in proportion to the percentage of paid-up share capital of the Company held by them, which will be determined on the basis of the paid-up nominal value of shares registered in the name of each shareholder as on February 18, 2022. The voting rights for the Equity Shares of the Company are one vote per equity share, registered in the name of the shareholder. The postal ballot/ E-voting period commences on Monday, February 28, 2022 (09:00 hours IST) and ends on Tuesday, March 29, 2022 (17:00 hours IST).
10. In case of joint holders casting their vote by evoting, only such joint holder who is higher in the order of names will be entitled to vote.
11. In compliance with Sections 108 and 110 of the Act and the Rules made thereunder, the MCA Circulars and Regulation 44 of the Listing Regulations, the Company has provided the facility to shareholders to exercise their votes electronically and to vote on resolutions through the e-voting service facility arranged by CDSL. As the company is providing facility for voting by electronic means, the business may be transacted through such evoting. The instructions for electronic voting are annexed to this Postal Ballot Notice. Shareholders cannot exercise votes by proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization. Important Event dates are given below:

EVENT	DATE
Cut Off Date	Friday, 18-02-2022 (Closing hours)
Evoting commencement	Monday, 28-02-2022 (09.00 AM IST)
Evoting Closure	Tuesday, 29-03-2022 (05.00 PM IST)
Pronouncement of Results (On or before)	Thursday, 31-03-2022 (05.00 PM IST)

Shareholders desiring to exercise their vote through the e-voting process are requested to read the instructions in the Notes under the section “**Voting through electronic means**” in this Postal Ballot Notice.

12. The Scrutinizer will submit his report to the Chairman or a person authorised by him in writing, after the completion of scrutiny and the result of the voting by postal ballot through the e-voting process will be announced by the Chairman of the Company or a person authorised by him in writing, on or before Thursday, March 31, 2022 at 17:00 hours IST at Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022. The Result shall be communicated on the same day to the stock Exchange i.e. BSE Ltd at www.bseindia.com., Depositories, Registrar and Share Transfer Agent and shall also be displayed on the Company’s Notice Boards in Registered Office at New Delhi and Corporate Office at Chandigarh. Further, the Result along with the Scrutinizer’s Report shall also be displayed on Company’s

website www.paulmerchants.net and on the website of CDSL i.e. www.cdslindia.com/
www.evotingindia.com.

13. Members may please note that this Postal Ballot Notice is also placed on the website of the Company www.paulmerchants.net, website of the Stock Exchange i.e. BSE Ltd. at www.bseindia.com and on the website of CDSL at www.cdslindia.com.
14. The last date of e-voting i.e. Tuesday, March 29, 2022 shall be the date on which the resolutions would be deemed to have been passed, if approved by the requisite majority.
15. All the material documents referred to in the explanatory statement will be available for inspection in electronic mode, basis the request being sent on investor.redressal@paulmerchants.net from the date of dispatch of Postal Ballot Notice until the last date for receipt of votes by e-voting.
16. Brief Resume of the Director proposed to be appointed, nature of his expertise in specific functional areas, disclosure of relationships between directors inter-se, names of listed entities in which the person also holds the directorship and the membership of Committees of the board, shareholding as stipulated under Regulation 36 (3) of the Listing Regulations and applicable Secretarial Standards is also annexed with this Notice.

17. Voting through electronic means

- (i) In compliance with the provisions of Section 108 and 110 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, the Company is providing facility for voting by electronic means to its members to enable them to cast their votes electronically through e-voting and for this purpose the Company has engaged the services of Central Depository Services (India) Limited (CDSL). This e-voting facility is available on all resolutions set forth in this Notice. 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. Process and manner for voting by electronic means is given in the following paras.
- (ii) The evoting period begins on 09:00 a.m. (IST) on Monday, February 28, 2022 and ends on 05:00 p.m. (IST) on Tuesday, March 29, 2022. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. closing hours of Friday February 18, 2022 may cast their vote electronically. 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.
- (iii) The cut-off date for the purpose of evoting is after closing hours of Friday, February 18, 2022.
- (iv) Members are requested to carefully read the instructions for e-voting before casting their vote.
- (v) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions. As per the said SEBI directives, e-voting has been enabled to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- (vi) Pursuant to abovesaid SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the

	<p>system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<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.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your Sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the e-Voting period.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the e-Voting period.</p>

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

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

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

(vii) Login method for e-Voting for Physical shareholders and shareholders other than individual shareholders 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)	<ul style="list-style-type: none"> • Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- 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.

(viii) Instructions for Non – Individual Shareholders and Custodians

- a. 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.
- b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- c. 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.
- d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- e. 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.
- f. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer @ kanwalcs@gmail.com and to the Company at the email address viz; investor.redressal@paulmerchants.net, if they have voted from individual tab & not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

All grievances connected with the facility for voting by electronic means in connection with the Postal Ballot may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43. You may also contact Mr. Hardam Singh, Company Secretary cum Compliance Officer of the Company at investor.redressal@paulmerchants.net or at 0172-5041760 or Fax 0172-5041713 or at PML House, SCO 829-830, Sector 22-A, Chandigarh - 160022.

Shareholders can also contact, RTA of the Company at Alankit Assignments Limited (the Company’s Registrar and Share Transfer Agent) to resolve any grievances with regard to postal ballot through evoting, Email id – ramap@alankit.com; Phone number + 91- 11-42541234. Shareholders may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

18. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

- a. For Physical shareholders- Please provide necessary details vide Form ISR-1 prescribed by SEBI vide Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 03.11.2021 along with prescribed documents by email to Company at investor.redressal@paulmerchants.net or to the RTA at ramap@alankit.com. The said form is available on the website of the Company i.e. www.paulmerchants.net under Investors section.
- b. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory for e-Voting & joining virtual meetings through Depository.
- c. If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.



CORP. OFF.: PML House, SCO 829-830, Sector 22-A, Chandigarh - 160 022 Ph. 0172-5041786, 5025090 Fax : 0172-5041709

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

REGD. OFF.: DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi-110015 Ph. : 011-48702000

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 read with para 16.4.5 of the Secretarial Standards-2

Item No. 1

The Board of Directors of the Company in their meeting held on February 10, 2022 had appointed Mr. Ritesh Vaid as Additional Director and in the same meeting had further appointed him as Whole Time Director of the Company for a period commencing from 10.02.2022 till 30.09.2026, on the terms and conditions as specified in the Resolution set out at Item No. 1 of the Notice, subject to the approval of the Shareholders of the Company. Further, in terms of Rule 2(1) (ba) and (f) read with Rule 7 of the 'The Prevention of Money-Laundering (Maintenance of Records Rules), 2005', the Managing Director or any Whole Time Director of the Company, which is a Reporting Entity in terms of the said Rules, has to be authorized by the Board of Directors of the Company for ensuring overall compliance with the obligations imposed under chapter IV of the Prevention of Money-Laundering Act, 2002 and the Rules framed thereunder. As such, the Board of Directors of the Company had appointed Mr Ritesh Vaid as Designated Director also in terms of the said Rules.

The terms and conditions of appointment of Mr. Ritesh Vaid have also been approved and recommended by the Nomination and Remuneration Committee of the Company. Mr. Ritesh Vaid's remuneration is fixed in accordance with provisions of Sections 197 read with Schedule V of the Companies Act, 2013 (Act) for period from 10.02.2022 till 31.01.2025 and is subject to the approval of the shareholders via a Special Resolution.

The Company has received from Mr. Ritesh Vaid, his consent to act as Whole Time Director and Designated Director of the Company along with a declaration to the effect that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act and has not been debarred or disqualified from being appointed as Director of a company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority. Mr. Ritesh Vaid satisfies all the conditions set out under sub-section (3) of Section 196 of the Act and Schedule V to the Act including the conditions for being eligible for this appointment. 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 appointment 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.

As per the requirements of Section 196 and 197 of the Companies Act, 2013 and the provisions of Schedule V thereto, the appointment/ re-appointment of the Managing Director/ Whole Time Directors and their remuneration is to be made with approval of the Shareholders in the General Meeting and it is further provided that except with the approval of the company in general meeting by a special resolution, the remuneration payable to any one managing director; or Whole Time Director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director, remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together. As the proposed remuneration of 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. Further, as per Regulation 17(1C) of the Listing Regulations, approval of shareholders for appointment of a person on the Board of Directors is required to be taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. As such, the approval of shareholders for appointment of Mr. Ritesh Vaid is required to be taken before 10.05.2022 and as such, the said approval is being sought vide this Postal Ballot.

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 appointment of Mr. Ritesh Vaid to the post of Whole Time Director and Designated Director of the Company is proposed to be approved for a period from 10.02.2022 till 30.09.2026, his remuneration shall be valid only for the period from 10.02.2022 till 31.01.2025, as spelt out in the Resolution set out at item no. 1 of the Notice.

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 for remuneration of any Whole Time Director, 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 appointment and fixation of remuneration of Mr. Ritesh Vaid as Whole Time Director and Designated Director. The said proposal has also been approved and recommended 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 2018-19	FY 2019-20	FY 2020-21
Total Income (Revenue/Sale of Services)	49,11,40,71,103	53,71,17,02,593	29,83,62,46,925
Earnings before Interest, Depreciation and Tax and exceptional items	17,65,08,096	20,80,08,609	21,32,27,087
Profit from Continued Operations before Tax	14,28,76,345	16,55,99,253	15,98,16,640
Total Profit after Tax	15,05,13,276	11,89,52,746	12,67,73,112
Total Comprehensive Income	15,12,45,132	11,71,31,293	12,74,20,540

On Consolidated basis:-

PARTICULARS	FY 2018-19	FY 2019-20	FY 2020-21
Total Income (Revenue/Sale of Services)	49,29,89,18,083	54,06,07,75,841	30,42,68,73,723
Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation)	28,23,00,742	40,74,36,158	50,65,17,509
Profit from Continued Operations before Tax	23,96,12,533	36,06,35,098	44,22,41,340
Share in Profit of JV	9,01,480	-29,82,884	-43,64,306
Total Profit before Tax	24,05,14,013	35,76,52,214	43,78,77,034
Total Profit after Tax	22,07,95,442	26,37,41,406	33,44,92,584
Total Comprehensive Income	22,08,46,932	26,14,49,333	33,52,96,499

2) The relationship between remuneration and performance

The proposed remuneration as set out in item no. 1 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 a Country Head (Foreign exchange and International Money Transfer division). 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. 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 additionally. 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 qualification and experience of the individual directors. Further, the employees of the Company are paid remuneration based upon their qualification, experience and personal traits and their performance in the Company. Some categories of the staff are also paid incentives and variable salary which is based upon their performance. The remuneration of the directors and senior management people of the company is approved by the Nomination and Remuneration Committee of the Board. As a lot of subjective criteria is involved in fixation of remuneration of the directors and employees of the Company, arithmetic principle of proportionality of remuneration within the Company is difficult to be arrived at and for the same reason, any rating methodology is also difficult to be worked out.

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

As per the Nomination and Remuneration Policy of the Company, remuneration payable to the Whole Time Directors is based upon performance and is subject to the provisions of the Companies Act, 2013 and Articles of Association. The sitting fee payable to the independent directors is decided by the Board based upon the qualification and experience of the individual directors within the limits prescribed under the Companies Act, 2013. 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 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.

Mr. Ritesh Vaid does not hold any Equity Shares in the Company either presently or as at the end of the preceding financial year. Further he does not hold any Stock Options.

The additional information pursuant to para 1.2.5 of the Secretarial Standards on General Meetings (SS- 2) and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is mentioned at **Annexure-1A**. Information pursuant to Section II of Part II of Schedule V of the Companies Act, 2013 is set out at **Annexure-1B**. 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 1-C**.

The appointee Director Mr. Ritesh Vaid should be treated as interested in Special Resolution set out at Item No. 1 of the Notice to the extent of benefits accruing to him out of this resolution. No other Director / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board considers it in the interest of the Company to appoint Mr. Ritesh Vaid as Whole Time Director and Designated Director of the Company and accordingly, recommends the Special Resolution set out at Item No. 1 of the Postal Ballot Notice for approval by the shareholders.

Item No. 2

The Company has been making investments in the securities of other body corporates, giving loans and guarantees to and providing securities in connection with loans taken by body corporates (including its wholly owned subsidiary Paul Merchants Finance Private Limited), from time to time, in compliance with the provisions of Section 186 of the Companies Act, 2013 (Act).

The provisions of Section 186(2) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Section 186(3) further provides that where the aggregate of the loans and investment so far made, the amount for which guarantee or security so far provided to or in all other bodies corporate along with the investment, loan, guarantee or security proposed to be made or given by the Board, exceed the limits specified under Section 186(2), no investment or loan shall be made or guarantee shall be given or security shall be provided unless previously authorised by a special resolution passed in a general meeting. Further, in terms of Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014, where a loan or

guarantee is given or where a security has been provided by a company to its wholly owned subsidiary company or a joint venture company, or acquisition is made by a holding company, by way of subscription, purchase or otherwise of, the securities of its wholly owned subsidiary company, the requirement of sub-section (3) of Section 186 shall not apply.

Your Company is in expansion mode. Though current investments and funding requirements of these expansions are being met out of internal accruals, with a view to facilitate meeting future fund requirements and considering the long term business plans of the Company which may require the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, your Board had at the meeting held on February 10, 2022, approved a proposal for seeking Shareholders approval under Section 186 of the Companies Act, 2013 for authorizing the Board to grant/give loans, from time to time, to any person or other bodies corporate; (b) provide guarantee / security to secure any loan / obligations of any other person or bodies corporate; and (c) acquire by way of subscription, purchase or otherwise the securities of any other bodies corporate, for an aggregate amount not exceeding a sum of Rs 100 Crores (Rupees One Hundred Crores only) over and above the limits as prescribed under Section 186 of the Companies Act, 2013, as amended from time to time.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 2 of the Notice.

The Board recommends the Special Resolution set out at Item No. 2 of the Postal Ballot Notice for approval by the shareholders.

Registered office

DSM 335, 336, 337, 3rd Floor, DLF Tower, 15,
Shivaji Marg, Najafgarh Road,
New Delhi -110015

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

Date: February 10, 2021

Place: Chandigarh

**Sd/-
HARDAM SINGH
(COMPANY SECRETARY)
Membership No. FCS – 5046
12-D, Angel Apartments, Green Enclave, Zirakpur (Pb.)**

Annexure-1A**INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT THROUGH POSTAL BALLOT ONLY BY WAY OF VOTING THROUGH ELECTRONIC MEANS PURSUANT TO REGULATION 36 (3) OF THE LISTING REGULATIONS, 2015 AND SECRETARIAL STANDARDS-2 INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED**

Name of Director	Mr. Ritesh Vaid (Din 09433856)
Date of First (Original) Appointment on the Board:	10-02-2022
Date of Birth, Age	15-11-1976, About 46 Years
Designation	Whole Time Director and Designated Director
It is proposed to approve the appointment of Mr. Ritesh Vaid as Whole Time Director and Designated Director of the Company w.e.f. 10-02-2022 for a term commencing from 10-02-2022 till 30-09-2026 on Annual Remuneration within the range of Rs. 24 Lakhs to Rs. 34 Lakhs per annum to be paid for the term commencing from 10.02.2022 till 31.01.2025, as set out in the Special Resolution at Item no. 1 of the Notice and as explained in the Explanatory Statement to the said item.	
Nature of Expertise in Specific Functional Area and experience:-	
Mr. Ritesh Vaid is about 46 years of age and has been associated with the Company Paul Merchants Limited since the year 2008 and is currently serving as Country Head (Foreign exchange and International Money Transfer division). 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. While working with the Company as Country Head, he has been lending vital inputs in the areas of Business development, Marketing, Advertising & other business promotion activities of the Company and is proficiently handling all the Forex Branches of the Company.	
Terms and Conditions of Appointment or Re-appointment and Remuneration, if any:	
Term	Mr. Ritesh Vaid is proposed to be appointed as Whole Time Director and Designated Director of the Company by the Shareholders of the Company through Postal Ballot only by way of voting through electronic means, for a term commencing from 10-02-2022 till 30-09-2026. His office is liable to retirement by rotation.
Remuneration last drawn, if applicable	He is proposed to be appointed as Whole Time Director and Designated Director for the first time in the Company. In the capacity of Country Head (Foreign exchange and International Money Transfer division) in the Company, he was drawing remuneration as given below:- Annual Remuneration Rs. 20,55,915/- Annual Bonus Rs. 1,03,565/- Annual Incentive Rs. 92,400/- Gratuity as per Payment of Gratuity Act.
Remuneration sought to be paid	He shall be paid remuneration on the following terms:- a. Annual Remuneration within the range of Rs. 24 Lakhs to Rs. 34 Lakhs per annum. 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 the term.

	<p>d. Other Benefits:- Leave Encashment within the above range as per the Company's Policy and Gratuity as per Payment of Gratuity Act;</p> <p>e. Service Contract period:- From 10.02.2022 till 30.09.2026;</p> <p>f. Remuneration period:- From 10.02.2022 till 31.01.2025</p> <p>g. Notice Period:- Two months;</p> <p>h. Severance Fees:- No severance fees is payable;</p> <p>i. Fixed Component: Fixed component is his salary;</p> <p>j. Performance Linked Incentive:- Performance Linked Incentive within the above range, as decided by Nomination and Remuneration Committee of the Board;</p> <p>k. Reimbursements of expenses as per Company's policy</p>
Qualification	MBA- Marketing, Masters in Commerce and Post Graduate Diploma in Business Management
List of Other Directorships	NIL
Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited
Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd	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	NIL
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:-	
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 2021-22	NIL

Justification for Appointment and Remuneration:-

Mr. Ritesh Vaid is about 46 years of age and has been associated with the Company Paul Merchants Limited since the year 2008 in various capacities in the Senior Management of the Company and is currently serving as Country Head (Foreign exchange and International Money Transfer division) in 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. While working with the Company as Country Head, he has been lending vital inputs in the areas of Business Development, Marketing, Advertising & other business promotion activities of the Company and is proficiently handling all the Forex Branches of the Company. Therefore, considering his qualifications and experience, his appointment as Whole Time Director and Designated Director of the Company and his remuneration is justified. Nomination and Remuneration Committee and Audit Committee of the Board have also approved his appointment and remuneration.

Annexure-1B

Information pursuant to Section II of Part II of Schedule V of the Companies Act, 2013

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																																																										
4	Financial performance based on given indicators	<p style="text-align: center;">STANDALONE BASIS:</p> <table border="1" data-bbox="584 701 1481 1294"> <thead> <tr> <th>Particulars</th> <th>FY 2018-19</th> <th>FY 2019-20</th> <th>FY 2020-21</th> </tr> </thead> <tbody> <tr> <td>Total Income (Revenue/Sale of Services)</td> <td>49,11,40,71,103</td> <td>53,71,17,02,593</td> <td>29,83,62,46,925</td> </tr> <tr> <td>Earnings before Interest, Depreciation and Tax and exceptional items</td> <td>17,65,08,096</td> <td>20,80,08,609</td> <td>21,32,27,087</td> </tr> <tr> <td>Profit from Continued Operations before Tax</td> <td>14,28,76,345</td> <td>16,55,99,253</td> <td>15,98,16,640</td> </tr> <tr> <td>Total Profit after Tax</td> <td>15,05,13,276</td> <td>11,89,52,746</td> <td>12,67,73,112</td> </tr> <tr> <td>Total Comprehensive Income</td> <td>15,12,45,132</td> <td>11,71,31,293</td> <td>12,74,20,540</td> </tr> </tbody> </table> <p style="text-align: center;">CONSOLIDATED BASIS:</p> <table border="1" data-bbox="584 1350 1481 2060"> <thead> <tr> <th>Particulars</th> <th>FY 2018-19</th> <th>FY 2019-20</th> <th>FY 2020-21</th> </tr> </thead> <tbody> <tr> <td>Total Income (Revenue/Sale of Services)</td> <td>49,29,89,18,083</td> <td>54,06,07,75,841</td> <td>30,42,68,73,723</td> </tr> <tr> <td>Earnings before Interest, Depreciation and Tax and exceptional items</td> <td>28,23,00,742</td> <td>40,74,36,158</td> <td>50,65,17,509</td> </tr> <tr> <td>Profit from Continued Operations before Tax</td> <td>23,96,12,533</td> <td>36,06,35,098</td> <td>44,22,41,340</td> </tr> <tr> <td>Share in Profit of JV</td> <td>9,01,480</td> <td>-29,82,884</td> <td>-43,64,306</td> </tr> <tr> <td>Total Profit before Tax</td> <td>24,05,14,013</td> <td>35,76,52,214</td> <td>43,78,77,034</td> </tr> <tr> <td>Total Profit after Tax</td> <td>22,07,95,442</td> <td>26,37,41,406</td> <td>33,44,92,584</td> </tr> <tr> <td>Total Comprehensive Income</td> <td>22,08,46,932</td> <td>26,14,49,333</td> <td>33,52,96,499</td> </tr> </tbody> </table>			Particulars	FY 2018-19	FY 2019-20	FY 2020-21	Total Income (Revenue/Sale of Services)	49,11,40,71,103	53,71,17,02,593	29,83,62,46,925	Earnings before Interest, Depreciation and Tax and exceptional items	17,65,08,096	20,80,08,609	21,32,27,087	Profit from Continued Operations before Tax	14,28,76,345	16,55,99,253	15,98,16,640	Total Profit after Tax	15,05,13,276	11,89,52,746	12,67,73,112	Total Comprehensive Income	15,12,45,132	11,71,31,293	12,74,20,540	Particulars	FY 2018-19	FY 2019-20	FY 2020-21	Total Income (Revenue/Sale of Services)	49,29,89,18,083	54,06,07,75,841	30,42,68,73,723	Earnings before Interest, Depreciation and Tax and exceptional items	28,23,00,742	40,74,36,158	50,65,17,509	Profit from Continued Operations before Tax	23,96,12,533	36,06,35,098	44,22,41,340	Share in Profit of JV	9,01,480	-29,82,884	-43,64,306	Total Profit before Tax	24,05,14,013	35,76,52,214	43,78,77,034	Total Profit after Tax	22,07,95,442	26,37,41,406	33,44,92,584	Total Comprehensive Income	22,08,46,932	26,14,49,333	33,52,96,499
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Earnings before Interest, Depreciation and Tax and exceptional items	28,23,00,742	40,74,36,158	50,65,17,509																																																									
Profit from Continued Operations before Tax	23,96,12,533	36,06,35,098	44,22,41,340																																																									
Share in Profit of JV	9,01,480	-29,82,884	-43,64,306																																																									
Total Profit before Tax	24,05,14,013	35,76,52,214	43,78,77,034																																																									
Total Profit after Tax	22,07,95,442	26,37,41,406	33,44,92,584																																																									
Total Comprehensive Income	22,08,46,932	26,14,49,333	33,52,96,499																																																									

5.	Foreign investment or collaborations, if any	The share capital of the Company is entirely held by domestic Indian Bodies Corporate and Individuals, barring a fractional shareholding (0.19%) by NRI shareholders. Further, the Company has a Joint venture in Malaysia having 19.424% Equity stake in the said Joint Venture Company known as M/s Horizon Remit SDN BHD (formerly known as M/s Prabhu Remit SDN BHD), for selling of which the Company has already entered into a Share Purchase Agreement with M/s Al Jadeed Investment International SPC, Sultanate of Oman and approval of RBI is awaited for completion of the deal. Weizmann Forex Ltd (Now known as Delphi World Money Ltd) (CIN L65990MH1985PLC037697), Transcorp Enterprises Limited (CIN U65922RJ1995PLC010050) and Western Union Processing Limited, an Irish Limited Liability Company are the other partners in the said Joint Venture Company.
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II. Information about the appointee:

1.	Background details	Mr. Ritesh Vaid is about 46 years of age and has been associated with the Company Paul Merchants Limited since the year 2008 and is currently serving as a Country Head (Foreign exchange and International Money Transfer division). He is MBA- Marketing, Masters in Commerce and has done Post Graduate Diploma in Business Management. He has more than twenty three years of experience in sales and marketing of Foreign exchange and International Money transfer. 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 under his guidance the Company will reach new heights of success.
2.	Past remuneration	He is proposed to be appointed as Whole Time Director and Designated Director for the first time in the Company. In the capacity of Country Head (Foreign exchange and International Money Transfer division) in the Company, he was drawing remuneration as given below:- Annual Remuneration Rs. 20,55,915/- Annual Bonus Rs. 1,03,565/- Annual Incentive Rs. 92,400/- Gratuity as per Payment of Gratuity Act.
3.	Recognition or awards	Nil
4.	Job profile and suitability	Mr. Ritesh Vaid is currently serving as a Country Head (Foreign exchange and International Money Transfer division). He has good leadership skills, tact and has helped in the development of dealer network, infrastructure and channel management for promoting the business of the company. While working with the Company as a Country Head, he has been lending vital inputs in the areas of Marketing, Advertising & other business promotion activities of the Company and is handling seventy one Forex Branches. The Board of Directors of the Company in their meeting held on 10.02.2022, on the recommendation of Nomination and Remuneration Committee and Audit Committee of the Board, had approved his appointment as Whole Time Director and Designated Director of the Company w.e.f. 10.02.2022 on the remuneration as specified in Special Resolution set out at item No. 1 of the Postal Ballot Notice.
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. 1 of the Notice.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	There are no set standards for remuneration in the industry. The executive remuneration in the industry has been increasing significantly in last few years. Keeping in view the type /trends in the industry, size of the Company, the profile and responsibilities proposed to be shouldered by Mr. Ritesh Vaid, the Board believes that the remuneration proposed to be paid to him as Whole Time Director and Designated Director is appropriate and commensurate with the industry standards. Further the remuneration proposed to be paid to him is in accordance with the Nomination and Remuneration Policy of the Company and as per the approval and recommendation of Nomination and Remuneration Committee of the Board.
7.	Pecuniary relationship directly or indirectly with the	Mr. Ritesh Vaid does not have any pecuniary relationship with the Company apart from his remuneration, which he has been drawing as

	company, or relationship with the managerial personnel or other director, if any.	Country Head (Foreign exchange and International Money Transfer division) from the Company. He does not hold any Equity shares in his name or on behalf of any other person, in the Share Capital of the Company and he is not related to any Director, Manager or Key Managerial Personnel of the Company.
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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 the fact that back in the FY 2017-18, the Company had sold its MTSS Division which was a prime contributor to the Revenues of the Company and since then, the revenue of the Company has been only from two other activities i.e. Forex and Tours & Travels services. The revenues of the Company occasioned further dip due to outbreak of Covid 19 and consequent restrictions on international travel. At the moment, a major investment of the funds of the Company is in its Wholly Owned Subsidiary M/s Paul Merchants Finance (P) Ltd, which is in Gold Loan, Insurance and Prepaid Wallets business and is doing fairly well in terms of Revenue and expansion. Further, the focus of the Company is to grow Forex and Travel Verticals and in the transitory period, there may be some strain on the profits of the Company. The Company is passing a Special Resolution pursuant to the proviso to the sub-section (1) of Section 197 of the Companies Act, 2013 for taking approval for payment of remuneration to the Whole Time Director in case there is inadequacy of profits.
2.	Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> a. The Company has already started pursuing growth of Forex and Travel Verticals of the Company with a focused approach. b. The after-effects of covid are receding and it is expected that in near future, with normalcy returning to international travel, both verticals of the Company i.e. the Forex and Travel Verticals. c. Rationalization of unproductive expense heads is already underway and is a continuous process.
3.	Expected increase in productivity and profits in measurable terms	The objective and focus of the Board of Directors is to take the Company to heights in Forex and Travel Division. Towards this end, the company has already put in place the required roadmap and in the backdrop of the re-engineered business model, it is hoped to sustain the profitability in the FY 2021-22 and thereafter to grow its profitability in the vicinity of 8-12%.

The disclosures required in terms of para B(iv)(IV) of Section II of Part II of Schedule V to the Act, which are meant to be made in the Board of Director's report under the heading "Corporate Governance", shall be duly made in the Board of Director's report at the appropriate time.

Annexure-1C

TO WHOM SO EVER THIS MAY CONCERN

As per information, explanations and confirmations provided to us, we are of the opinion that appointment of Mr. Ritesh Vaid (DIN 09433856) as Whole Time Director of Paul Merchants Limited on the following terms and conditions is fair and at Arm's Length:-

REMUNERATION:

- a. Annual Remuneration within the range of Rs. 24 Lakhs to Rs. 34 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 the 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 10.02.2022 till 31.01.2025
- 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

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

**(ROHIT GOEL)
PARTNER
M. No.091756
UDIN: 22091756AAYBHZ5982**

**Date: 09-02-2022
Place: Chandigarh**