



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/AGM/2022/345
Date: September 04, 2022**

SUBJECT:- NOTICE OF THIRTY EIGHTH (38TH) ANNUAL GENERAL MEETING

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 Thirty Eighth (38th) Annual General Meeting (AGM) of the Company to the Shareholders of the Company and to others entitled to receive the notice through permitted mode. The AGM of the Company is scheduled to be held on Thursday, the 29th day of September, 2022 at 12.00 Noon (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in compliance with the Circular no. 02/2022 dated May 05, 2022 read over with its earlier Circular no. 21/2021 dated December 14, 2021, Circular no. 19/2021 dated December 08, 2021, Circular no. 02/2021 dated January 13, 2021, Circular no. 20/2020 dated May 5, 2020, Circular no. 17/2020 dated April 13, 2020 and Circular no. 14/2020 dated April 8, 2020 issued by Ministry of Corporate Affairs of India (collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May, 2022 read over with its earlier Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January, 2021, Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 issued by Securities and Exchange Board of India (SEBI). Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read over with Para A (12) of Part A of Schedule III of SEBI (LODR) Regulations, 2015 and Para A (12) of Annexure I to SEBI circular no. CIR/CFD/CMD/4/2015 dated 09.09.2015, please find below the information in this regard as per format prescribed in the said SEBI Circular:-

- a. **Date of Notice:** Notice of 38th Annual General Meeting dispatched/issued to shareholders and to others entitled to receive the notice on 3rd September, 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 the AGM attached;
 - ii. Resolution to be passed: As per Notice of the AGM attached;
 - iii. Manner of approval proposed: Remote E-voting and by way of e-voting during the AGM.



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The said Notice is also available on the website of the Company at <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/08/PML-NOTICE-AGM-2022-1.pdf> and also at the website of BSE Ltd at www.bseindia.com, 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 the 38th AGM



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

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. : 011-48602000

NOTICE

NOTICE is hereby given that 38th Annual General Meeting of the Shareholders of M/s Paul Merchants Limited will be held on Thursday, the 29th day of September, 2022 at 12.00 Noon (IST) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022 and the Report of the Auditors thereon.
3. To appoint a Director in place of Smt Sarita Rani Bansal (DIN 00094504), who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Sh. Sat Paul Bansal (DIN 00077499), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** in partial modification to the earlier Special Resolution passed by the Members of the Company in their Annual General Meeting held on 29.09.2020, pursuant to the provisions of Section 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) read with Schedule V to the said Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable Rules made under the Act and Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any Statutory modification(s) or re-enactment thereof for the time being in force), subject to the Articles of Association of the Company and subject to such other approvals and compliances as per the applicable provisions of the Act and other applicable Statutes, as may be necessary, the approval of the Members of the Company be and is hereby accorded to the revised remuneration of Sh. Rajneesh Bansal (DIN 00077230), Managing Director of the Company w.e.f. 01-04-2022, on the following terms and conditions:-

- a. **Salary:-** Within the range of Rs. 1,00,00,000/- (Rupees One Crore Only) per annum to Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum w.e.f. 01.04.2022.
- b. **Commission:-** Upto 3% of the Net Profits of the Company computed under Section 198 of the Act, earned during any financial year based upon his performance, as decided by the Nomination and Remuneration Committee of the Board.
- c. **Benefits:-** Monthly Rent Free Accommodation (RFA) + annual increase in the notional value of the said RFA is included in the remuneration range given above in (a). In addition, the Water/electricity and Property Tax in the said RFA shall also be borne by the Company on actual basis. There will be no other benefits, bonuses, stock options, pension, emoluments, allowances etc.
- d. **Service Contract period:-** 5 years i.e. from 01-04-2020 till 31-03-2025
- e. **Remuneration period :-** 3 years i.e. from 01-04-2022 till 31-03-2025
- f. **Notice Period:-** Three months.
- g. **Severance Fees:-** No severance fees is payable to him.

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

RESOLVED FURTHER THAT with the payment of Remuneration as above to Sh. Rajneesh Bansal (DIN 00077230), Managing Director, the remuneration of other Whole Time Directors 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 and other applicable provisions of the Companies Act, 2013 in any Financial Year.

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

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

“**RESOLVED THAT** pursuant to Regulation 17(1A) and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any Statutory modification(s) or re-

enactment thereof for the time being in force), approval of the Members of the Company be and is hereby accorded to the continuation of directorship of Smt. Sarita Rani Bansal (DIN 00094504) after she attains the age of 75 years on 08-01-2023, as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company, which will be deemed to include any Committee of the Board constituted to exercise its powers, be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.”

Place: Chandigarh
Date: August 10, 2022

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

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

NOTES:

- (1) The Explanatory Statement as required under Section 102 of the Companies Act, 2013 (Act), in respect of item No. 5 and 6 of the Notice convening the Annual General Meeting (AGM) is annexed hereto.
- (2) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its Circular no. 02/2022 dated May 05, 2022 read over with its earlier Circular no. 21/2021 dated December 14, 2021, Circular no. 19/2021 dated December 08, 2021, Circular no. 02/2021 dated January 13, 2021, Circular no. 20/2020 dated May 5, 2020, Circular no. 17/2020 dated April 13, 2020 and Circular no. 14/2020 dated April 8, 2020 (collectively referred to as “MCA Circulars”) and SEBI vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May, 2022 read over with its earlier Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January, 2021, Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 had permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations”) and the said MCA and SEBI Circulars, the 38th AGM of the Company is being held through VC / OAVM. The special business proposed to be transacted at the ensuing AGM as set out in the Notice, has been considered as unavoidable by the Board of Directors of the Company. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 20, 21 and 23. The deemed venue for the 38th AGM shall be the Registered Office of the Company.
- (3) Attention of the Holders of Securities in Physical Mode is invited to Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 and clarification vide Circular No. SEBI/HO/MIRSD/MIRSD-RTAMB/P/CIR/2021/687 dated December 14, 2021 issued by SEBI. SEBI vide these Circulars have mandated the furnishing of PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities. Effective January 1, 2022, Grievance Redressal / Service Requests can be availed with the RTA only after the required Documents / Complete data as mandated are furnished for physical folios. If any ONE of the cited documents / details as enunciated in the said circular are NOT available on or after April 1, 2023, the folios shall be Frozen by the Registrar and Share Transfer Agent of the Company (RTA). Unless the aforesaid requirements are complied with, the security holders in the frozen folios shall NOT be eligible:-
 - a. To lodge any grievance or avail service request from the RTA
 - b. To receive any payment including dividend, Interest or Redemption Amount (which would be only through Electronic Mode)

Non-Compliant Frozen folios shall be referred by the RTA / Listed Company to the Administering Authority under the Benami Transactions (Prohibition) Act, 1988 and/or

Prevention of Money Laundering Act 2002, if they continue to remain frozen as on December 31, 2025

As per the above SEBI Circulars, Members are advised to use the following formats for submitting various service requests:-

- a. For all investor service requests, duly filled up request Form ISR-1
- b. For updating the PAN and KYC details, issue specific authorization as provided in Form ISR-1
- c. For Nomination, use Form SH-13
- d. For issuing a Declaration to Opt-out', use Form ISR-3
- e. In case of major mismatch in the signature of the holder as available in the folio of the RTA and the present signature or if the same is not available with the RTA, then the holder / claimant shall furnish original cancelled cheque and banker's attestation of the signature as per Form ISR-2.
- f. PAN is mandatory for all transactions in securities market
- g. For cancellation of nomination or changing the nominee, use Form SH-14

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

It shall be mandatory for all holders of physical securities in listed company to furnish the following documents / details to the RTA:-

- i. PAN
- ii. Nomination (for all eligible folios)
- iii. Contact details like Postal address with PIN, Mobile number, E-mail address
- iv. Bank account details (bank name and branch, bank account number, IFS code)
- v. Specimen signature

The Company had disseminated the requirement of the holders of physical securities of the Company to furnish valid PAN, KYC details and Nomination, on its website www.paulmerchants.net/Investors. The Company had also directly intimated its securities holders about folios which are incomplete i.e. about the aforesaid requirement.

- (4) Members holding shares in dematerialized form are requested to notify to their Depository Participant :-

- i. their email id.
 - ii. all changes with respect to their address, email id, ECS mandate and bank details.
- (5) The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose. The attention of the members is also invited to SEBI Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and SEBI Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 for updation of KYC details. Further, the attention of the members is also invited to Gazette Notification dated 08-06-2018 by SEBI, vide which SEBI had mandated that transfer of Securities of the Company would be carried out in dematerialized form only and has further mandated that with effect from 01-04-2019, it should be ensured that shares which are lodged for transfer shall be in dematerialized form only. Necessary communications to this effect had been sent by the RTA of the Company M/s Alankit Assignments Ltd. to all the Members of the Company. Members, holding shares in physical form are once again requested to convert their shares into dematerialized form soon to avoid any kind of inconvenience in future.
- (6) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company from September 23, 2022 (9.00 A.M. IST) to September 25, 2022 (5.00 P.M. IST) through email to investor.redressal@paulmerchants.net. The same will be replied by the Company suitably.
- (7) In accordance with Section 20 of the Companies Act, 2013, service of documents on members by a company is allowed through electronic mode. Further in compliance with the MCA Circulars and SEBI Circular mentioned in Note no. 2, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.paulmerchants.net and the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com (Adobe PDF can be downloaded at <https://get.adobe.com/reader>). The copies of the Notice and Annual Report 2021-22 will also be available for inspection in electronic mode, basis the request being sent on investor.redressal@paulmerchants.net. Physical copy of full annual report shall be sent to those shareholders who request for the same and request in this regard may be submitted to investor.redressal@paulmerchants.net.
- (8) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (9) Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
- (10) Pursuant to provisions of Section 124 of the Companies Act, 2013, the amount of dividends remaining unclaimed and unpaid for a period of seven years from the date

it is lying in the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Pursuant to the circular issued by the Ministry of Corporate Affairs (MCA) with respect to IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 dated May 10, 2012, the information of unclaimed and unpaid Dividend, up to the date it remained unpaid/unclaimed was duly filed by the Company with the Ministry of Corporate Affairs (MCA). MCA had also uploaded details of the same on its website at www.iepf.gov.in. Further, the information of unclaimed and unpaid Dividend as on 31.03.2022 in respect of Interim Dividend declared and paid by the Board of Directors of the Company for the Financial Year 2019-20 and confirmed as Final Dividend by the Shareholders in their Annual General Meeting held on 29.09.2020, shall be filed by the Company with the Ministry of Corporate Affairs (MCA) for the Financial Year 2021-22 in due course. As on 31-03-2022, the Company has following unclaimed or unpaid dividend amount pertaining to dividends declared for the earlier financial years:-

Financial Year	No. of Shareholders	Amount of Unclaimed / Unpaid Dividend
Dividend for the Financial Year 2019-20	43	Rs. 21,732

The details of the aforesaid dividend is also uploaded on the website of the Company at <https://www.paulmerchants.net/paulmerchants/wp-content/uploads/2022/07/Unclaimed-Dividend-2019-20-as-on-31.03.2022-1.pdf>

- (11) In terms of Section 152 of the Companies Act, 2013, Smt Sarita Rani Bansal (DIN 00094504) and Sh. Sat Paul Bansal (DIN 00077499), Directors, retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment and the Board of Directors of the Company recommends their re-appointment. Their brief resumes are annexed with the Notice of the AGM as **Annexure-N1** and **Annexure-N2** respectively. Brief Resumes of other Directors proposed to be appointed/re-appointed including the ones whose remuneration is proposed to be approved/revised, nature of their expertise in specific functional areas, disclosure of relationships between directors inter-se, names of listed entities in which the person also holds the directorship and the membership of Committees of the board, shareholding as stipulated under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and applicable Secretarial Standards are also annexed with the Notice of the AGM.
- (12) The Directors seeking appointment/reappointment have furnished the declarations under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Section 164(2) of the Companies Act, 2013 and other requisite declarations for their re-appointment.
- (13) All the documents referred to in the accompanying Notice and Explanatory Statement, including the copies of the resolutions passed at the meeting of the Nomination and Remuneration Committee and the Board of Directors, shall be made available for

inspection of the Members through electronic mode, basis the request being sent on investor.redressal@paulmerchants.net, up to the date of AGM. The Register of Directors and Key Managerial Personnel & their Shareholding, the Register of Contracts & Arrangements in which Directors are interested and Register of Members as maintained by RTA shall be open for inspection in electronic mode to any person having right to attend the AGM, basis the request being sent on investor.redressal@paulmerchants.net.

- (14) Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from 15-09-2022 to 21-09-2022 (both days inclusive) for the purpose of AGM. Further, the members who hold shares as on the Cut off date i.e. Thursday, September 22, 2022 shall be entitled for voting (including remote e-voting) for the Annual General Meeting.
- (15) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (16) Members are advised to refer to the General Shareholders Information as provided in this Annual Report.
- (17) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of their Board or Governing Body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC / OAVM and vote on their behalf. The said Resolution/Authorization should be sent to the Scrutinizer by email through their registered email address to kanwalcs@gmail.com.
- (18) Since the resolutions as set out in this Notice are being conducted through remote e-voting and by way of evoting during the AGM, the said resolutions will not be decided on a show of hands at the AGM in terms of the provisions of Section 107 of the Companies Act, 2013.
- (19) **E-VOTING- PROCESS AND MANNER:**
 - a. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company is providing facility for voting by electronic means to its members to enable them to cast their votes electronically through remote e-voting (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting) and for this purpose the Company has engaged the services of Central Depository Services (India) Limited (CDSL) and as such, the business of the AGM shall be transacted through such voting. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. This remote e-voting facility is available on all resolutions set forth in this Notice and as such the business of the AGM shall be transacted through such voting. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account

maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility

- b. The Company shall also provide facility for voting through e-voting system during the AGM and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM through evoting.
- c. The members who have already cast their vote by remote e-voting, may also attend and participate in the AGM but shall not be entitled to cast their vote again at the AGM.
- d. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- e. 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.
- f. The remote voting period begins on 09:00 a.m. (IST) on Monday, September 26, 2022 and ends on 05:00 p.m. (IST) on Wednesday, September 28, 2022. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22-09-2022 may cast their vote electronically. Remote e-voting shall not be allowed beyond the said date and time and the e-voting module shall be disabled by CDSL for voting thereafter. As on the said cut-off date, the right of voting of the Members shall be reckoned and a person who is not a Member of the Company as on the cut off date should treat this Notice for information purposes only
- g. The Board of Directors have appointed Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh as the Scrutinizer, for conducting the remote e-voting process and evoting at the AGM in a fair and transparent manner.
- h. The cut-off date for the purpose of evoting (including remote e-voting) and for attending the AGM is after closing hours of Thursday, 22nd September, 2022.
- i. Members are requested to carefully read the instructions for remote e-voting before casting their vote.
- j. The remote e-voting facility will be available during the following period after which the evoting portal shall forthwith be blocked and shall not be available for remote evoting:-

Commencement of remote e-voting	Monday, 09:00 a.m. (IST) on September 26, 2022
End of remote e-voting	Wednesday, 05:00 p.m. (IST) on September 28, 2022
Cut Off date	Thursday, 22 nd September, 2022

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

- (i) As per SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated **December 9, 2020**, e-voting has been enabled to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (ii) In terms of the said **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated **December 9, 2020** on e-Voting facility provided by the Company, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- (iii) Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:-

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful

	<p>authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<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</p>

	during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43 and Toll Free no. 1800225533.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(21) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form:-

- a. The shareholders should log on to the e-voting website www.evotingindia.com.
- b. Click on "Shareholders" module.
- c. Now enter your User ID
 - For CDSL: 16 digits beneficiary ID
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- d. Next enter the Image Verification as displayed and Click on Login.
- e. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- f. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<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)

	<ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</p>

- g. After entering these details appropriately, click on "SUBMIT" tab.
- h. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice
- j. Click on the EVSN for Paul Merchants Ltd
- k. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution
- l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details
- m. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote
- o. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page
- p. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system

(22) Instructions for Non – Individual Shareholders and Custodians – For Remote evoting only

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- iii. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- iv. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- vi. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer @ kanwalcs@gmail.com and to the Company at the email address viz; investor.redressal@paulmerchants.net, if they have voted from individual tab & not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

(23) INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:-

- a. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its Circular no. 02/2022 dated May 05, 2022 read over with its earlier Circular no. 21/2021 dated December 14, 2021, Circular no. 19/2021 dated December 08, 2021, Circular no. 02/2021 dated January 13, 2021, Circular no. 20/2020 dated May 5, 2020, Circular no. 17/2020 dated April 13, 2020 and Circular no. 14/2020 dated April 8, 2020 (collectively referred to as “MCA Circulars”) and SEBI vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May, 2022 read over with its earlier Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January, 2021, Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 have permitted the holding of the Annual General Meeting (“AGM”) through Video Conference (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations”) read with

the Circulars issued by MCA and SEBI, the 38th AGM of the Company is being held through VC / OAVM.

- b. Since this AGM is being held pursuant to the above said Circulars issued by MCA and SEBI through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice and Attendance Slip and Route Map are also not annexed to this Notice for the same reason. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- c. The procedure for e-Voting on the day of the AGM is same as per the instructions mentioned above for e-voting.
- d. The link for VC/OAVM to attend AGM will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- e. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- f. Shareholders are encouraged to join the AGM through Laptops / iPads for better experience.
- g. Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- h. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- i. The Members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee of Directors, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc. may be allowed to attend the meeting without any restrictions on first come first served basis.
- j. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from their registered email address in advance from September 23, 2022 (9.00 A.M. IST) to September 25, 2022 (5.00 P.M. IST) mentioning their name, demat account number/folio number, email id, mobile number at investor.redressal@paulmerchants.net. Those Members who have registered themselves as speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The shareholders

who do not wish to speak during the AGM but have queries may send their queries from September 23, 2022 (9.00 A.M. IST) to September 25, 2022 (5.00 P.M. IST) from their registered email addresses mentioning their name, demat account number/folio number, email id, mobile number at investor.redressal@paulmerchants.net. These queries will be replied to by the company suitably.

- k. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- l. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

- i. For Physical shareholders- Please refer to the instructions given at Note no. 3.
- ii. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
- iii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository
- iv. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

(25) GENERAL INSTRUCTIONS

- I. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43 Toll Free no. 1800225533. Further details in this regard are given in para VIII below.
- II. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on the cut off date i.e. 22-09-2022
- III. The scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than

24 Hours from conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the results of the voting forthwith. The result of the e-voting shall be declared by the Chairman of the Meeting or any other person duly authorized by him in writing on Friday, September 30, 2022 at 2.00 PM at Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022.

- IV. The manner in which members have cast their votes, that is, affirming or negating the resolution, shall remain secret and not available to the Chairman, Scrutinizer or any other person till the votes are cast in the meeting.
- V. The Scrutinizer's decision on the validity of the vote shall be final and binding.
- VI. The result declared along with the Scrutinizer's report shall be placed on the website of the Company (www.paulmerchants.net) and on the website of CDSL (www.evotingindia.com) immediately after the result is declared and shall simultaneously be forwarded to the BSE Limited, where the Company's shares are listed. The result of the voting, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not shall also be displayed on the Notice Board of the company at its Registered Office at New Delhi and its Corporate Office at Chandigarh.
- VII. The resolutions will be deemed to be passed on the date of AGM subject to receipt of requisite number of votes in favour of the resolutions.
- VIII. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43 or Toll Free no. 1800225533.. You may also contact Mr. Hardam Singh, Company Secretary cum Compliance Officer of the Company at investor.redressal@paulmerchants.net or at 0172-5041760 or Fax 0172-5041713 or at PML House, SCO 829-830, Sector 22-A, Chandigarh - 160022.

(26) **INSTRUCTIONS FOR E-VOTING FOR PERSONS BECOMING MEMBER OF THE COMPANY AFTER THE DISPATCH OF NOTICE:-**

For individual shareholders holding shares in Demat form:-

Those persons, who have acquired shares and have become members of the Company after the dispatch of Notice of the AGM by the Company and whose names appear in the Register of Members as of the cut-off date i.e. 22-09-2022 are requested to view the Annual Report of the Company on the website

of the Company at www.paulmerchants.net or on the website of CDSL (www.evotingindia.com) for instructions relating to e-voting and for attending the AGM. The detailed procedure for obtaining login Id, password, authentication and exercising remote e-voting and evoting at the AGM is already provided in the instructions given above.

Physical Shareholders:-

Physical shareholders may obtain the login id and sequence number by sending a request to RTA of the Company M/s Alankit Assignments Ltd, Alankit House, 4E/2, Jhandewalan Extn. New Delhi- 110055 (INDIA) Ph No. : 011-42541959 email id ramap@alankit.com or Company at mail id investor.redressal@paulmerchants.net

Other shareholders:-

If the said shareholder is already registered with CDSL for e-voting, then his/her existing user id and password can be used for casting the vote. If he has forgotten the password, he can reset his password by using "Forgot User Details/Password" option available on www.evotingindia.com. For physical shareholders, the same process as outlined be followed.

(27) GENERAL:-

In this Annual Report, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been referred to as "Listing Regulations", Companies Act, 2013 has been referred to as "Act" and Annual General Meeting has been referred to as "AGM". Further at various places in the Annual Report, the Financial Year 2021-22 has been referred to as "the year under review".

Place: Chandigarh
Date: August 10, 2022

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

SD/-
HARDAM SINGH
(COMPANY SECRETARY)
FCS-5046
12-D, Angel Apartments,
Zirakpur (Pb)-140603



EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

The present term of Sh. Rajneesh Bansal (DIN 00077230), Managing Director of the Company is valid upto 31.03.2025 and his remuneration approved by the Shareholders is valid till 31-03-2023. Drawing its authority from the Resolutions passed by the Board of Directors on 18-08-2020 and by Shareholders of the Company on 29-09-2020 in this regard, the Nomination and Remuneration Committee in its meeting held on 28.04.2022, had revised the remuneration payable to Sh. Rajneesh Bansal, Managing Director of the Company in the following manner w.e.f. 01-04-2022, based upon his performance evaluation as per the Nomination and Remuneration Policy viz a viz the performance of the Company under his leadership:-

- Salary: Rs. 15,00,000/- per Month
- Commission:- 3% of the Net Profits of the Company computed under Section 198 of the Companies Act, earned during any financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board.
- Benefits:- Monthly Rent Free accommodation (RFA) valued at Rs. 2,57,072/-+ annual increase @ 8%. In addition, the Water/electricity in the said RFA shall also be borne by the Company on actual use basis. No other benefits, bonuses, stock options, pension, emoluments, allowances etc

The above revised remuneration necessitated increase in the remuneration range of the Managing Director, which was earlier approved by the Shareholders in their Annual General Meeting held on 29.09.2020 and as such, is subject to approval by the Shareholders. Accordingly, the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee had, subject to the Provisions of Sections 196, 197, 198, 203 and all other applicable Provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V of the said Act, revised the remuneration payable to Mr. Rajneesh Bansal (DIN 00077230) as Managing Director of the Company w.e.f. 01-04-2022 by way of revising the terms and conditions and by increasing the Remuneration range in the annual bracket of Rs. 1.00 crores to Rs. 5.00 crores, subject to approval of the shareholders of the Company. The said revised remuneration is set out in the Resolution at item no. 5 of the Notice. The said remuneration and other terms and conditions as set out in the said Resolution may be

treated as a written memorandum setting out the terms of remuneration of Sh. Rajneesh Bansal under Section 190 of the Act. The Statutory Auditors of the Company have issued their certificate that the proposed remuneration and other terms and conditions shall be at Arm's Length. The said Certificate has been appended at the end of the Explanatory Statement to this Notice as **Annexure-N3**. The detailed conditions have been provided in the Resolution itself.

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

It is further provided in Schedule V to the Act that the Special Resolution passed for payment of remuneration to a managerial person at the general meeting of the company, should be for a period not exceeding three years. As such, the proposed remuneration payable to the Managing Director shall be valid for three yearly only i.e. from 01-04-2022 till 31-03-2025, as spelt out in the Resolution set out at item no. 5 of the Notice.

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

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

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

As the proposed remuneration of Mr. Rajneesh Bansal as Managing Director of the Company on stand alone basis and along with other Executive Directors taken together is likely to exceed the above thresholds, the matter requires approval of the Shareholders of the Company by way of Special Resolution.

Further, as per the provisions of Section 197 of the Companies Act, 2013 read with Section II of Part II of Schedule V, in case of absence or inadequacy of profits, the remuneration to be paid in excess of the limits specified in Section II of Part II of Schedule V has to be approved by the Members by way of a Special Resolution.

Though, the Company has been a consistent performer for the last almost two decades, however, the profit margins may remain inadequate particularly for the purpose of paying Managerial Remuneration due to the fact that the Indian Economy as well as Global Economy is still grappling with the after effects of Covid 19 and International Tourism has still not returned to full normalcy, which is a crucial requirement for Forex and Travel Verticals of the Company. Accordingly, if the Company's profits are inadequate due to the aforesaid tough external environment, the approval of the Members by way of a Special Resolution will be required for payment of an overall remuneration exceeding the limits specified in Section 197 and Schedule V of Companies Act, 2013. Therefore, in order to suitably remunerate Mr. Rajneesh Bansal, Managing Director, keeping in view his entitlement and existing remuneration, as also the competitive market practices, if the Company's profits become inadequate, the approval of the Members is sought for payment of a remuneration as set out in the Resolution at item no. 5 of the Notice.

Therefore, revision in the remuneration of the Managing Director of the Company is placed for approval of the Members of the Company at the ensuing Annual General Meeting. The Board of Directors recommend the Resolution set out at Item no. 5 to be passed as Special Resolution by the Members.

The Managing Director Mr. Rajneesh Bansal should be treated as interested in this resolution, to the extent of his remuneration and other benefits arising out of this resolution. Further, Mr. Sat Paul Bansal and Mrs. Sarita Rani Bansal, Directors of the Company should also be treated as interested in this resolution as immediate relatives of Mr. Rajneesh Bansal and also as members of the same family. No other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

As on 31-03-2022, Sh. Rajneesh Bansal holds 294253 (28.62%) Equity Shares in the Company and does not hold any Stock Options.

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

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

As such your Directors have considered the above parameters in relation to revision in remuneration of Mr. Rajneesh Bansal as Managing Director. The said proposal has also been approved by the Nomination and Remuneration Committee of the Board and by Audit Committee of the Board. The required

information as per the above said parameters is given below for the consideration of the Shareholders while according their approval for the revised remuneration of the Managing Director Mr. Rajneesh Bansal:-

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

On Standalone basis:-

PARTICULARS	FY 2019-20	FY 2020-21	FY 2021-22
Total Income	53,71,17,02,593	29,83,62,46,925	53,00,23,66,294
Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation)	20,80,08,609	21,32,27,088	30,01,93,629
Profit from Continued Operations before Tax and exceptional items	17,85,16,369	19,02,88,765	28,02,06,718
Total Profit before Tax after exceptional items	16,55,99,253	15,98,16,640	27,37,83,774
Total Profit after Tax	11,89,52,746	12,67,73,112	20,39,02,032
Total Comprehensive Income	11,71,31,293	12,74,20,540	20,35,47,842

On Consolidated basis:-

PARTICULARS	FY 2019-20	FY 2020-21	FY 2021-22
Total Income	54,06,07,75,841	30,42,68,73,723	53,68,74,09,928
Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation)	42,35,19,042	50,65,17,510	66,04,61,760
Profit from Continued Operations before Tax and exceptional items	37,35,52,214	44,22,41,340	54,57,90,790
Total Profit before Tax after exceptional items	36,06,35,098	44,22,41,340	53,93,67,846
Total Profit after Tax	26,67,24,290	33,88,56,890	40,18,08,105
Share of Profit (Loss) of associates and joint ventures	-29,82,884	-43,64,306	-95,393
Total Comprehensive Income	26,14,49,333	33,52,96,499	40,12,46,294

(2) The relationship between remuneration and performance:-

The proposed remuneration as set out in the Resolution at item no. 5 of the Notice, is fully justified by the performance of Mr. Rajneesh Bansal as he has demonstrated Leadership skill, tact and initiative in every department of the Company especially Finance, New product lines, IT integration of business model and infra structure development. He has displayed exceptional financial prowess in developing the Forex and Travel verticals of the Company in conjunction with

the company's goal & objectives. Further, the performance evaluation of Mr. Rajneesh Bansal has been carried by Nomination and Remuneration Committee of the Board on 28-04-2022 and also by the Board of Directors on 12-05-2022. As such, the proposed remuneration to be paid to Mr. Rajneesh Bansal is fully justified by his performance. The payment of proposed Remuneration to him has been approved by the Board, Nomination and Remuneration Committee of the Board and also by Audit Committee of the Board.

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

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

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

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

remuneration payable to Employees is based upon their knowledge, qualification, experience and performance. The reason for this differentiation is that remuneration to the Directors is governed by the provisions of the Companies Act, 2013, Listing Regulations and Articles of Association of the Company and remuneration to the employees of the Company is based upon other factors as explained in the foregoing discussion and the same is also influenced by competitive factors.

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

As on 31-03-2022, Mr. Rajneesh Bansal held 294253 (28.62%) Equity Shares in the Company. Further he does not hold any Stock Options. Further, he has not pledged any shares as at the end of the preceding financial year i.e. 2021-22.

The information as required under para 1.2.5 of Secretarial Standard -2 is given under **Annexure-N3A** along with information pursuant to Regulation 36 (3) of the Listing Regulations, at the end of this Explanatory Statement. Information required under Section II of Part II of Schedule V to the Companies Act, 2013 is given as **Annexure-N3B**

ITEM NO. 6

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as `Listing Regulations`), no listed Company can appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment. Smt Sarita Rani Bansal (DIN 00094504), aged about 75 years (date of birth 08-01-1948) is serving on the Board of Directors of the Company as Non-Executive Non Independent Director of the Company. She will attain the age of 75 years on 08-01-2023 and accordingly her continuation as Non-Executive Non Independent Director with effect from the said date requires approval of Members by way of special resolution. A brief justification for her continuation as Non-Executive Non Independent Director on the Board of the Company with effect from 08-01-2023 is as under:-

Smt. Sarita Rani Bansal is a Non Executive Non Independent Director of the Company and has been associated with the Company since 2012 and had served as a Director on the Board of the Company from year 1992 to 2008 during her previous tenure with the Company. She was re-appointed as a Director of the Company in 2012 and has been serving on the Board of the Company since then. While working with the Company as a Director, she has been lending useful inputs in the area of Human Resource Management and Administration of the Office Affairs of the Company. She keeps fully fit at her age and

is leading an active life. Nomination & Remuneration Committee of the Board has also approved and recommended her continuation as a Non Executive Non Independent Director of the Company after attaining 75 years of age. Considering her experience, her fitness and her active participation in the decision making process of the Board, the Board of Directors is of the opinion that Smt. Sarita Rani Bansal is a person of integrity, possesses relevant expertise and her association as Non-Executive Non Independent Director will be beneficial and in the best interest of the Company. Her presence on the Board of the Company adds more value and contributes significantly to the Board in its decision making process.

A brief resume of Smt. Sarita Rani Bansal, the nature of her expertise in specific functional areas, names of Companies in which she has held Directorships, Committee Memberships/ Chairmanships, her shareholding etc., is separately given in **Annexure-N1**, annexed hereto.

The Board of Directors recommend the Resolution set out at Item no. 6 to be passed as Special Resolution by the Members.

Smt. Sarita Rani Bansal should be treated as interested in this resolution. Further Mr. Sat Paul Bansal and Mr. Rajneesh Bansal, Directors of the Company should also be treated as interested in this resolution as immediate relatives of Smt. Sarita Rani Bansal and also as members of the same family. No other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

As on 31-03-2022, Smt. Sarita Rani Bansal holds 345600 (33.62%) Equity Shares in the Company and does not hold any Stock Options.

Place: Chandigarh
Date: August 10, 2022

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

SD/-
HARDAM SINGH
(COMPANY SECRETARY)
FCS – 5046
12-D, Angel Apartments,
Zirakpur (Pb)-140603

Annexure-N1

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

Name of Director	Smt. Sarita Rani Bansal (DIN: 00094504)
Date of First (Original) Appointment on the Board:	31.01.2012
Date of Birth, Age	08.01.1948 , 74 Years as on 31.03.2022
Designation	Director (Non Executive Non Independent)
Smt. Sarita Rani Bansal, who is liable to retire by rotation in the ensuing Annual General Meeting and being eligible, has offered herself for reappointment, is proposed to be re-appointed as a Non Executive Non Independent Director of the Company.	
Nature of Expertise in Specific Functional Area and experience:	
Smt. Sarita Rani Bansal is 74 years of age and has been associated with the Company for over 25 years and served as a Director of the Company from year 1992 to 2008 during her previous tenure with the Company. She was re-appointed as a Director of the Company in 2012. While working with the Company as Director, she has been lending useful inputs in the areas of Human Resource Management and Administration of the Office Affairs of the Company.	
Terms and Conditions of Appointment or Re-appointment and Remuneration, if any:	
Term	Smt. Sarita Rani Bansal, who is liable to retire by rotation, is proposed to be re-appointed as a Non Executive Non Independent Director by the Shareholders of the Company in the ensuing Annual General Meeting. No term has been fixed for her and her office is liable to retirement by rotation.
Remuneration last drawn, if applicable	NIL in the FY 2021-22
Remuneration sought to be paid	NIL
Qualification	Graduate in Arts
List of Other Directorships:-	
1. Paul Merchants Finance Private Limited (Appointed w.e.f. 01.04.2022) 2. Paul Overseas Private Limited 3. Paul Excursions Private Limited 4. PML Holidays Private Limited 5. Paul Instacred Private Limited	
Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited
Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd	Member, Executive Committee of the Board till 08-06-2021.
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	NIL

Names of listed entities from which the person has resigned in the past three years	Nil.
Membership/Chairmanship of the Committees of listed entities from which the person has resigned in the past three years	Nil
Shareholding in the Company	Holding 345600 (33.62%) Equity shares in her name as on 31.03.2022.
Shareholding in the Company as a Beneficial Owner	NIL
Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-	
<p>Smt. Sarita Rani Bansal is wife of Sh. Sat Paul Bansal, a Non Executive Non Independent Director and Chairman of the Company. She is mother of Sh. Rajneesh Bansal, Managing Director. She is not related to any other Director, Manager or other Key Managerial Personnel of the Company.</p>	
No. of Meetings of Board attended during the FY 2021-22	4

Justification for Appointment and Remuneration:-
<p>Smt. Sarita Rani Bansal is a Non Executive Non Independent Director of the Company and has been associated with the Company for over 25 years and had served as a Director on the Board of the Company from year 1992 to 2008 during her previous tenure with the Company. She was re-appointed as a Director of the Company in 2012 and has been serving on the Board of the Company since 2012. While working with the Company as Director, she has been lending useful inputs in the area of Human Resource Management and Administration of the Office Affairs of the Company. Therefore, considering her experience, her re-appointment as Non Executive Non Independent Director of the Company is justified. Nomination & Remuneration Committee of the Board has also approved her re-appointment.</p>
Summary of performance evaluation report :-
<p>The performance evaluation of Smt. Sarita Rani Bansal had been carried by the Nomination and Remuneration Committee (NRC) as well as by the Board of Directors. Based upon the parameters laid down in the Nomination and Remuneration Policy of the Company like her experience and ability to contribute to the decision making process, problem solving approach, guidance to the Management, attendance and participation in the Meetings, personal competencies, contribution to strategy formulation, monitoring of controls and Corporate Governance, her performance was found to be satisfactory and the Nomination and Remuneration Committee as well as the Board of Directors of the Company were of the opinion that the re-appointment of Smt. Sarita Rani Bansal as Non executive Non Independent Director of the Company shall be in the best interests of the Company.</p>

Annexure-N2

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

Name of Director	Sh. Sat Paul Bansal (DIN: 00077499)
Date of First (Original) Appointment on the Board:	27/09/1990
Date of Birth, Age	22-07-1947, About 75 Years as on 31.03.2022
Designation	Non-Executive Director and Chairman of the Board
Mr. Sat Paul Bansal, who is liable to retire by rotation in the ensuing Annual General Meeting and being eligible, has offered himself for reappointment, is proposed to be re-appointed as a Non Executive Non Independent Director and Chairman of the Company.	
Nature of Expertise in Specific Functional Area and experience:-	
Sh. Sat Paul Bansal is the Chairman and Non-Executive Director of the Company. He is about 75 years of age and having educational qualification of Graduation in Arts. Sh. Sat Paul Bansal has around 52 years of experience in almost every facet of business. He is a renowned Businessman and is an expert in the formulation of strategy, corporate Policy, Corporate objectives and decision making process. Earlier, he was associated with the Company from 27-09-1990 till 31-08-2020, when he resigned as Chairman Cum Managing Director of the Company. During his stint as such, he had spearheaded every activity of the Company.	
Terms and Conditions of Appointment or Re-appointment and Remuneration, if any:	
Terms of appointment	Sh. Sat Paul Bansal, who is liable to retire by rotation is proposed to be re-appointed as Non-Executive Non Independent Director and Chairman of the Company by the Shareholders of the Company in the ensuing Annual General Meeting. No term has been fixed for him and his office is liable to retirement by rotation.
Remuneration last drawn, if applicable	Nil remuneration drawn in FY 2021-22
Remuneration sought to be paid	Nil
Qualification	B.A.- Graduate in Arts
List of Other Directorships:-	
1. Paul Overseas Private Limited 2. Paul Excursions Private Limited 3. PML Holidays Private Limited 4. PML Realtors Private Limited 5. Paul Merchants Finance Private Limited	

Names of Listed Entities in which the person also holds the directorship	No Company other than Paul Merchants Limited
Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd	Chairman – CSR Committee Chairman – Executive Committee Membership – Stakeholders Relationship Committee
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	Chairman - Risk Management Committee - Paul Merchants Finance Private Limited
Names of listed entities from which the person has resigned in the past three years	Sh. Sat Paul Bansal had resigned from post of Chairman cum Managing Director of Paul Merchants Limited w.e.f. 31.08.2020. However, he was again appointed on the Board of the Company on 08.06.2021.
Membership/Chairmanship of the Committees of listed entities from which the person has resigned in the past three years	Consequent to his resignation from the Board, Sh. Sat Paul Bansal had resigned from Executive Committee of the Company w.e.f. 31.08.2020. After his re-appointment as Non-Executive Chairman w.e.f. 08-06-2021, he was again appointed as Chairman of the Executive Committee w.e.f. 01.07.2022.
Shareholding in the Company	5240 (0.51%) Equity Shares
Shareholding in the Company as a Beneficial Owner	Nil
Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-	
Sh. Sat Paul Bansal is husband of Smt. Sarita Rani Bansal Non-Executive Non Independent Director of the Company and father of Sh. Rajneesh Bansal, Managing Director of Paul Merchants Limited. Sh. Sat Paul Bansal is not related to any other Director, Manager or Key Managerial Personnel of the Company.	
No. of Meetings of Board attended during the FY 2021-22	2

Justification for Appointment and Remuneration:-

Sh. Sat Paul Bansal is the Chairman and Non-Executive Director of the Company. He is about 75 years of age and having educational qualification of Graduation in Arts. Sh. Sat Paul Bansal has around 52 years of experience in almost every facet of business. He is a renowned Businessman and is an expert in the formulation of strategy, corporate Policy, Corporate objectives and decision making process. Earlier, he was associated with the Company from 27-09-1990 till 31-08-2020, when he resigned as Chairman Cum Managing Director of the Company. During his stint as such, he had spearheaded every activity of the Company. Therefore, considering his qualifications and experience, his re-appointment as Non Executive Non Independent Director and Chairman of the Company is justified. Nomination and Remuneration Committee of the Board has also approved his re-appointment.

Summary of performance evaluation report :-

The performance evaluation of Sh. Sat Paul Bansal had been carried by the Nomination and Remuneration Committee (NRC) as well as by the Board of Directors. Based upon

the parameters laid down in the Nomination and Remuneration Policy of the Company like his Experience and ability to contribute to the decision making process, problem solving approach, guidance to the Management, Attendance and Participation in the Meetings, personal competencies, contribution to strategy formulation, contribution towards statutory compliances, monitoring of controls and Corporate Governance, his performance was found to be satisfactory. As such, NRC as well as the Board of Directors of the Company were of the view that the re-appointment of Sh. Sat Paul Bansal as Non executive Non Independent Director and Chairman of the Company shall be in the best interests of the Company.

Annexure-N3

**RAJIV GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS**

**S.C.O. 823-824, 1st Floor, Sector 22A,
Chandigarh, Phone: 0172-4644607
Email: rgaca91@gmail.com
Web: www.rgaca.org**

TO WHOM SO EVER THIS MAY CONCERN

As per information, explanations and confirmations provided to us, we are of the opinion that the following Remuneration payable to Mr. Rajneesh Bansal (DIN 00077230), Managing Director of the Company Paul Merchants Limited w.e.f. 01-04-2022 subject to the approval of Shareholders, for a period of three (3) years with effect from 01-04-2022 along with other additional Terms and Conditions as described below, is fair and at Arm's Length:-

REMUNERATION:-

- a. **Salary:-** Within the range of Rs. 100,00,000/- (Rupees One Crore Only) per annum to Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum w.e.f. 01.04.2022.
- b. **Commission:-** Upto 3% of the Net Profits of the Company computed under Section 198 of the Act, earned during any financial year based upon his performance, as decided by the Nomination and Remuneration Committee of the Board.
- c. **Benefits:-** Monthly Rent Free Accommodation (RFA) + annual increase in the notional value of the said RFA is included in the remuneration range given above in (a). In addition, the Water/electricity and Property Tax in the said RFA shall also be borne by the Company on actual basis. There will be no other benefits, bonuses, stock options, pension, emoluments, allowances etc.
- d. **Service Contract period:-** 5 years i.e. from 01-04-2020 till 31-03-2025
- e. **Remuneration period :-** 3 years i.e. from 01-04-2022 till 31-03-2025
- f. **Notice Period:-** Three months.
- g. **Severance Fees:-** No severance fees is payable to him.

ADDITIONAL TERMS AND CONDITIONS: -

- a. In the event of absence or inadequacy of profits in any financial year, Sh. Rajneesh Bansal (DIN 00077230) will be paid the Remuneration as specified above, subject to compliance with the applicable provisions of the Act and Schedule V to the Act.
- b. With the payment of Remuneration as above to Sh. Rajneesh Bansal (DIN 00077230), Managing Director, the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may

exceed the limits prescribed in Section 197 and other applicable provisions of the Companies Act, 2013 in any Financial Year.

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

**Sd/-
(CA DHRUV GOEL)
PARTNER
M. No.549569
UDIN: 22549569AOLROY9216**

**Date: 06.08.2022
Place: Chandigarh**

Annexure-N3A

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

Name of Director	Mr. Rajneesh Bansal (DIN: 00077230)
Date of First (Original) Appointment on the Board:	27-02-1999
Date of Birth, Age	27-07-1974, About 48 Years as on 31.03.2022
Designation	Managing Director
It is proposed to approve revision in the remuneration of Mr. Rajneesh Bansal, Managing Director within the range from Rs. 100,00,000/- (Rupees One Crore Only) per annum to Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum w.e.f. 01.04.2022 and other terms and conditions, as set out in the Special Resolution at Item no. 5 of the Notice and as explained in the Explanatory Statement to the said item.	
Nature of Expertise in Specific Functional Area and experience:-	
Mr. Rajneesh Bansal has demonstrated Leadership skill, tact and initiative in every department of the Company especially Finance, New product lines, IT integration of business model and infra structure development as Managing Director of the Company. He has displayed exceptional financial prowess in developing the Forex and Travel verticals of the Company in conjunction with the Company's goals & objectives.	
Terms and Conditions of Appointment or Re-appointment and Remuneration, if any:	
Terms of appointment	His appointment as Managing Director of the Company is for a term from 01-04-2020 till 31-03-2025, as approved by the Shareholders in their AGM held on 29-09-2020. His revised remuneration is proposed to be approved from 01-04-2022 till 31-03-2025. His office is not liable to retirement by rotation.
Remuneration last drawn, if applicable	His remuneration during FY 2021-22 was as follows: a. Rs. 12,00,000/- (Rupees Twelve Lakhs Only) per month and a Rent Free Accommodation (RFA) valued at Rs. 34,56,742/- which includes water and electricity charges in the said RFA on actual use basis. b. Rs. 85,00,000/- as Commission for the FY 2021-22. Total Annual Remuneration paid to him for the FY 2021-22 is Rs. 2,63,56,742/-.

Remuneration sought to be paid	a. Salary:- Within the range of Rs. 1,00,00,000/- (Rupees One Crore Only) per annum to Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum w.e.f. 01.04.2022. b. Commission:- upto 3% of the Net Profits of the Company computed under Section 198 of the Act, earned during any financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board. c. Other terms and conditions as set out in the Special Resolution at Item no. 5 of the Notice and as explained in the Explanatory Statement to the said item
Qualification	MBA from Victoria University of Technology, Melbourne, Australia.
List of Other Directorships :-	
1. Paul Merchants Finance Private Limited 2. Paul Overseas Private Limited 3. Paul Excursions Private Limited 4. PML Holidays Private Limited 5. PML Realtors Private Limited 6. Paul Fincare Private Limited 7. All India Association of Authorized Money Changers and Money Transfer Agents	
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	1. Member of Executive Committee 2. Member of Stakeholders Relationship Committee 3. Member of CSR Committee
Chairmanship/Membership of the Committees of the Board of Directors of other Companies	1. Member of Audit Committee of PML Realtors Private Limited 2. Member of Nomination & Remuneration Committee of PML Realtors Private Limited 3. Member of Audit Committee of Paul Merchants Finance Private Limited 4. Member of Nomination & Remuneration Committee of Paul Merchants Finance Private Limited 5. Chairman of CSR Committee of Paul Merchants Finance Private Limited

Names of listed entities from which the person has resigned in the past three years	Nil
Membership/Chairmanship of the Committees of listed entities from which the person has resigned in the past three years	Nil
Shareholding in the Company	294253 (28.62%) Equity Shares
Shareholding in the Company as a Beneficial Owner	Nil
Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-	
<p>Mr. Rajneesh Bansal is son of Mr. Sat Paul Bansal, who is Non Executive Non independent Director and Chairman of the Company & Mrs. Sarita Rani Bansal, Non Executive Non independent Director of the Company. He is not related to any other Director, Manager or Key Managerial Personnel of the Company.</p>	
No. of Meetings of Board attended during the FY 2021-22	4
Justification for Appointment and Remuneration:-	
<p>Mr. Rajneesh Bansal has demonstrated Leadership skill, tact and initiative in every department of the Company especially Finance, New product lines, IT integration of business model and infra structure development as Managing Director of the Company. He has displayed exceptional financial prowess in developing the Forex and Travel verticals of the Company in conjunction with the Company's goals & objectives. Therefore, considering his experience and contribution towards the Company, revision in his Remuneration as set out in the Special Resolution at Item no. 5 of the Notice and as explained in the Explanatory Statement to the said item is justified. Nomination & Remuneration Committee of the Board has also approved revision in his remuneration.</p>	
Summary of performance evaluation report :-	
<p>The performance evaluation of Mr. Rajneesh Bansal had been carried by the Nomination and Remuneration Committee (NRC) as well as by the Board of Directors. Based upon the parameters laid down in the Nomination and Remuneration Policy of the Company like his experience and ability to contribute to the decision making process, problem solving approach, guidance to the Management, attendance and participation in the Meetings, personal competencies, contribution to strategy formulation, monitoring of controls and Corporate Governance, his performance was found to be satisfactory and the Nomination and Remuneration Committee as well as the Board of Directors of the Company were of the opinion that the revision in his Remuneration is justified.</p>	

Place: Chandigarh
Date: August 10, 2022

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

HARDAM SINGH
(COMPANY SECRETARY)
FCS-5046
12-D, Angel Apartments,
Zirakpur (Pb)-140603

Annexure-N3B

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

I. General information:					
(1) Nature of industry	The Company operates principally in three business verticals Foreign Exchange, Tours & Travels and International Money Transfer.				
(2) Date or expected date of commencement of commercial production	The Company is already in existence, doing commercial operations since the year 1984. The Company had been granted Certificate of Commencement on 23 rd 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	STANDALONE BASIS:-				
	PARTICULARS	FY 2019-20	FY 2020-21	FY 2021-22	
	Total Income	53,71,17,02,593	29,83,62,46,925	53,00,23,66,294	
	Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation)	20,80,08,609	21,32,27,088	30,01,93,629	
	Profit from Continued Operations before Tax and exceptional items	17,85,16,369	19,02,88,765	28,02,06,718	
	Total Profit before Tax after exceptional items	16,55,99,253	15,98,16,640	27,37,83,774	
	Total Profit after Tax	11,89,52,746	12,67,73,112	20,39,02,032	
	Total Comprehensive Income	11,71,31,293	12,74,20,540	20,35,47,842	
	CONSOLIDATED BASIS:-				
	PARTICULARS	FY 2019-20	FY 2020-21	FY 2021-22	
	Total Income	54,06,07,75,841	30,42,68,73,723	53,68,74,09,928	
	Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation)	42,35,19,042	50,65,17,510	66,04,61,760	
	Profit from Continued Operations before Tax and exceptional items	37,35,52,214	44,22,41,340	54,57,90,790	
	Total Profit before Tax after exceptional items	36,06,35,098	44,22,41,340	53,93,67,846	
	Total Profit after Tax	26,67,24,290	33,88,56,890	40,18,08,105	
	Share of Profit (Loss) of associates and joint ventures	-29,82,884	-43,64,306	-95,393	
	Total Comprehensive Income	26,14,49,333	33,52,96,499	40,12,46,294	
	(5) Foreign investments or collaborations, if any.	The share capital of the Company is entirely held by domestic Indian Bodies Corporate and Individuals, barring a fractional shareholding (0.36%) by NRI shareholders. Further, the Company has a Joint venture in Malaysia having 19.424% (Previous Year 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). Delphi World Money Limited (Formerly known as EbixCash World Money India Limited and earlier as Weizmann Forex 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.
II. Information about the appointee:	
(1) Background details	Mr. Rajneesh Bansal is about 48 years of age and he is MBA from Victoria University of Technology, Melbourne, Australia. He has over 23 years of diverse experience and has demonstrated his leadership skills, tact and initiative in conjunction with the company's goals & objectives. As a Managing Director, he lends strategic inputs in every Department of the Company. As such, Board is of the opinion that he is providing useful value addition to the decision making process of the Board and under his leadership, Direction and guidance the Company will reach new heights of success in future.
(2) Past remuneration	His remuneration during FY 2021-22 was as follows:- a. Rs. 12,00,000/- (Rupees Twelve Lakhs Only) per month and a Rent Free Accommodation (RFA) valued at Rs. 34,56,742/- which includes water and electricity charges in the said RFA on actual use basis. b. Commission @ 3% of the Net Profits is payable after the end of the Financial Year as decided by the Nomination & Remuneration Committee. Accordingly, a sum of Rs. 85,00,000/- has been paid to him on this account as decided by the Nomination & Remuneration Committee for the FY 2021-22. Total Annual Remuneration paid to him for the FY 2021-22 is Rs. 2,63,56,742/-.
(3) Recognition or awards	Nil
(4) Job profile and his suitability	Mr. Rajneesh Bansal is associated with the Company since 1999. He is currently handling the position of Managing Director. As Managing Director of the Company, he supervises every Department of the Company. Mr. Rajneesh Bansal has over 23 years of diverse experience in the Company and has demonstrated his leadership skills, tact and initiative in conjunction with the company's goals & objectives. Keeping in view his excellent performance, the Board considers him as best suitable candidate for the position of Managing Director and has recommended the revision in his Remuneration, which is justified by his performance. Keeping in view his excellent performance and contribution towards every sphere of the business of the Company and his valuable experience and on the recommendation of Nomination and Remuneration Committee and on the recommendation of Audit Committee, the Board of Directors of the Company had approved revision in his remuneration w.e.f. 01-04-2022 for a term till 31-03-2025 as specified in Special Resolution set out at item No. 5 of the Notice of the AGM. The Board of Directors are of unanimous view that under his leadership, Direction and guidance, the Company will achieve new heights.
(5) Remuneration proposed	The Remuneration proposed to be paid to Mr. Rajneesh Bansal is as per the details set out in the Special Resolution at Item No. 5 of the Notice.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	There are no set standards for remuneration in the industry. The executive remuneration in the industry has been increasing significantly in last few years. Keeping in view the type /trends in the industry, size of the Company, the profile and responsibilities shouldered by Mr. Rajneesh Bansal, the Board believes that the revised remuneration as Managing Director is appropriate and commensurate with the industry standards. Further the revised remuneration is in accordance with the Nomination and Remuneration Policy of the Company and as per the approval and recommendation of Nomination and Remuneration Committee of the Board.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Rajneesh Bansal's pecuniary relationship with the Company during the FY 2021-22 is detailed in Annexure-N3B(a) to this report. He holds 294253 (28.62%) Equity shares in his name in the Share Capital of the Company as on 31.03.2022 Mr. Rajneesh Bansal is son of Mr. Sat Paul Bansal and Mrs. Sarita Rani Bansal, Directors of the Company. He is not related to any other Director, Manager or other Key Managerial Personnel of the Company.
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 the Indian Economy as well

	as Global Economy is still grappling with the after effects of Covid 19 and International Tourism has still not returned to full normalcy, which is a crucial requirement for Forex and Travel Verticals of the Company. Against this scenario, the Company may see a pressure on profits
(2) Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> a. The Company has already started focusing on increasing the revenue from Domestic Travel segment b. Bandwidth of the Company and the branch offices has been increased to enhance their coverage and outreach c. New Tie Ups with Banks for import of Foreign Currency have been executed d. Rationalization of unproductive expense heads is already underway e. New products in Travel Division have been introduced to increase sales
(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 introduction of new products, new Tie ups, it is hoped to increase the profitability in the FY 2022-23 to 110% levels and thereafter to grow its profitability in the vicinity of 10-15% every year.
IV. Disclosures:	The disclosures as prescribed in this section have been duly given in the Corporate Governance Report annexed as Annexure D-9 , forming part of this report

Annexure-N3B(a)

1. Nature of contracts/arrangements/ transactions	Rent Agreement in respect of Shop No. 3, 4A,4B & 4C, Lower Ground Floor, Alfa Estate Building, G.T. Road, Jalandhar, owned by Mr. Rajneesh Bansal	
Duration of the contracts/ arrangements/ transactions	From 01/04/2019 to 31/03/2022	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 46,274/- per month from 01.04.2021 to 31.03.2022 (GST extra)
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	
2. Nature of contracts/ arrangements/ transactions	Rent Agreement in respect of Shop No. 1A, Ground Floor, Mcleodganj, Dharamshala, owned by Mr. Rajneesh Bansal	
Duration of the contracts/arrangements/transactions	From 01/04/2020 to 31/03/2023	
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rate of Rent	Rs. 85,692/- per month from 01.04.2021 to 31.03.2022 (GST extra)
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
Amount paid as advances, if any:	Rent is paid in advance on monthly basis.	
3. Nature of contracts/arrangements/ transactions	Salary, Commission and notional value of Rent Free Accommodation	
Duration of the contracts/arrangements/ transactions	<ul style="list-style-type: none"> a. Service Contract period:- 5 years i.e. from 01-04-2020 till 31-03-2025 b. Remuneration period :- 3 years i.e. from 01-04-2020 till 31-03-2023 	
Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> i. Salary is payable per month and Rent Free accommodation is valued on notional rent basis and Electricity and water expenses paid therein are taken on actual paid basis ii. Commission @ 3% of the Net Profits is payable at the end of the FY on recommendation of the Nomination & Remuneration Committee 	

	<p>iii. Rent free accommodation has been valued at Rs. 34,56,742/- during the FY 2021-22, which includes Water and Electricity charges on actual use basis.</p> <p>Total Annual Remuneration paid during the FY 2021-22 is Rs. 263,56,742/- including Commission.</p>
<p>4. Further, Travel products were sold to him worth Rs. 4405/- during the year under review, which was not in the nature of any contract or arrangement and the transaction was in the ordinary course of business of the Company on market rates.</p>	

Place: Chandigarh
Date: August 10, 2022

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

HARDAM SINGH
(COMPANY SECRETARY)
FCS-5046
12-D, Angel Apartments,
Zirakpur (Pb)-140603