



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/CS/BSE/2022/415
Date: December 12, 2022**

SUBJECT: INTIMATION UNDER REGULATION 30 OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("Listing Regulations")

SCRIP CODE: 539113

Respected Sir/Madam,

Pursuant to Regulation 30 of the Listing Regulations, we hereby inform you that Directorate of Enforcement, Ministry of Finance, Government of India vide its Order No. ADJ/CDZO-1/01/2022 dated 8th December, 2022 received by us today, 12th December, 2022 has imposed a Penalty of Rs. 24,00,000/- (Rupees Twenty Four Lakh Only) on the Company for contravention of provisions of Section 10(5) of Foreign Exchange Management Act (FEMA), 1999, read with Para 8 of Part B of RBI, Master Direction No. 07/2015-16 dated 01.01.2016 in connection with some transactions of overseas student remittances processed by the Company in the year 2017.

Further the information pursuant to Regulation 30 of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, to the extent applicable to the matter, is as follows:

- a. **Brief details of litigation viz. name(s) of the opposing party, court/tribunal/agency where litigation is filed:-**

The penalty has been imposed by the Office of the Directorate of Enforcement, Ministry Of Finance, Government of India, 1st Floor. U.T. Government Press Building Madhya Marg, Sec - 18, Chandigarh - 160018

- b. **Brief details of dispute/litigation:**

The said Office of the Directorate of Enforcement has alleged contravention by the Company of Section 10(5) of Foreign Exchange Management Act (FEMA), 1999, read with Para 8 of Part B of RBI, Master Direction No. 07/2015-16 dated 01.01.2016, while processing some transactions of overseas Student remittances by receiving third party payments to the tune



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of Rs. 2,42,94,719/- (Rupees Two Crores Forty Two Lakhs Ninety Four Thousand Seven Hundred and Nineteen only).

c. Expected financial implications, if any, due to compensation, penalty etc;

The final implications for the Company in the matter will be known only after the outcome of the appeal, which the Company is in the process of filing with the Special Director (Appeals) O/o of the Commissioner of Income Tax (Appeals), having his Office at Aayakar Bhawan, Lakshmi Nagar, Delhi, because the same matter had already been adjudicated by the Reserve Bank of India on 26.11.2018, whereby after considering all the material on record and considering the steps taken by the Company, the RBI had only issued an advisory to the Company to be careful in future and had not imposed any penalty. As such, the financial implications for the Company shall be to the extent of the amount of penalty finally adjudicated upon by the Appellate Authorities.

d. Quantum of claims, if any;

The said Department has not filed any claim against the Company except imposition of penalty as detailed in para (e) below.

e. The details of any change in the status and / or any development in relation to such proceedings

The Company is in the process of filing Appeal against the impugned order with the Special Director (Appeals), O/o of the Commissioner of Income Tax (Appeals) having his Office at Aayakar Bhawan, Lakshmi Nagar, Delhi and the details of any change in status, shall be intimated to the Exchange as and when the same happens.

f. In the case of litigation against key management personnel or its promoter or ultimate person in control, regularly provide details of any change in the status and / or any development in relation to such proceedings

No penalty has been imposed against any Key Management Personnel or promoters of the Company or ultimate person in control

g. In the event of settlement of the proceedings, details of such settlement including - terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the listed entity



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No settlement has taken place at the moment. A penalty of Rs. 24,00,000/- (Rupees Twenty Four Lakhs Only) has been imposed on the Company by the said Department. The Company is in the process of filing Appeal against the impugned order and impact on the financial position of the Company shall be to the extent of the amount of penalty finally adjudicated upon by the Appellate Authorities.

This is for your information and records.

Thanking you,

Yours faithfully,

For PAUL MERCHANTS LIMITED,

**(HARDAM SINGH)
COMPANY SECRETARY & COMPLIANCE OFFICER
FCS 5046**