



# 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, Maharashtra**

**PML/BSE/CS/2023/455  
Date: February 07, 2023**

**Sub: Disclosure under Regulation 30 of the SEBI (Listing and other Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)**

**Re: Show Cause Notice under Payment and Settlement Systems Act, 2007 issued by RBI to the Wholly owned Subsidiary Company M/s Paul Merchant Finance Private Limited**

**SCRIP CODE: 539113**

Dear Sir,

With reference to Regulation 30 of SEBI (Listing and other Disclosure Requirements) Regulations, 2015, this is to inform you that M/s Paul Merchant Finance Private Limited, Wholly owned Subsidiary of the company (“PMFPL”) has received a Show Cause Notice from the Reserve bank of India (RBI) under Section 7 of the Payment and Settlement Act, 2007 for violation of the para 9.1 (ii)(d) of the Master Directions on PPIs dated August 27, 2021 (as updated on November 12, 2021).

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 Show Cause Notice has been received from the Reserve bank of India (RBI) under Section 7 of the Payment and Settlement Act, 2007 for violation of the para 9.1 (ii)(d) of the Master Directions on PPIs dated August 27, 2021 (as updated on November 12, 2021).



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

During the onsite inspection of PMFPL conducted by RBI in July, 2022, it was observed by the RBI that the Entity had allowed loading of more than Rs. 10,000/- per month in small PPIs (Prepaid Payment Instruments). Accordingly, explanation was called for by RBI from PMFPL and having found the same as unsatisfactory, RBI has issued the present Show Cause Notice.

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

Pursuant to the said show cause notice, PMFPL has been called upon under section 30 (2) of the Payment and Settlement Act, 2007 to show cause within 15 days from the date of receipt of the same, specifying the reason for not imposing the penalty of Rs. 30,50,000 (Rupees Thirty Lakhs and Fifty Thousand only) for the said contravention. As such, the financial implications for the Wholly Owned Subsidiary PMFPL shall be to the extent of the amount of penalty finally adjudicated upon by the RBI, after hearing the defence of PMFPL.

**d. Quantum of claims, if any;**

PMFPL has been called upon under section 30 (2) of the Payment and Settlement Act, 2007 to show cause within 15 days from the date of receipt of the notice, specifying the reason for not imposing the penalty of Rs. 30,50,000 (Rupees Thirty Lakhs and Fifty Thousand only) for the said contravention.

This is for your information and records and further developments in this regard, if any, will be shared with the Exchange in due course.

Thanking You,

Yours Faithfully,

**For PAUL MERCHANTS LIMITED**

**(HARDAM SINGH)  
COMPANY SECRETARY CUM COMPLIANCE OFFICER  
F5046**