



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/2023/16

Date: April 12, 2023

SUB- INTIMATION UNDER REGULATION 30 OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

SCRIP CODE: - 539113

Respected Sir/Madam,

This has reference to our earlier disclosure dated 10.02.2022 under Regulation 30 read over with Para B (11) of Part A of Schedule III of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Para B (11) of Annexure I of SEBI circular no. CIR/CFD/CMD/4/2015 dated 09.09.2015.

We would like to inform your good office that the Board of Directors of the Company, in their duly convened meeting held on Tuesday, the 11th Day of April, 2023 has *inter alia* discussed and approved the following: -

1. Approved enhancement in the limit for issuance of Guarantee and/or furnishing of security from Rs. 400 Crore to an amount not exceeding Rs. 600 Crore (Rupees Six Hundred Crores only) in favour of any Bank/Financial Institution in respect of any Loan Facility to be obtained by Paul Merchants Finance Private Limited ('PMFPL'), the Wholly Owned Subsidiary of the Company. Pursuant to the requirement of Regulation 30 read over with Para B (11) of Part A of Schedule III of SEBI LODR Regulations, Para B (11) of Annexure I to SEBI circular no. CIR/CFD/CMD/4/2015 dated 09.09.2015 (as nearly as facts permit), the required disclosure in this regard is enclosed herewith as **Annexure-A.**
2. Approved increase in the Working Capital Limit sanctioned to Wholly Owned Subsidiary of the Company Paul Merchants Finance Private Limited ('PMFPL') from Rs. 300 Crores to Rs. 400 Crores, to be disbursed in one or more tranches. Pursuant to the requirement of Regulation 30 read over with Para B (11) of Part A of Schedule III of SEBI LODR Regulations, Para B (11) of Annexure I to SEBI circular no. CIR/CFD/CMD/4/2015 dated 09.09.2015 (as nearly as facts



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permit), the required disclosure in this regard is enclosed herewith as **Annexure-B**.

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: a.a.



Annexure-A

<p>Name of party for which such guarantees or indemnity or surety is given</p>	<p>Paul Merchants Finance Private Limited ('PMFPL')</p>
<p>Whether the Promoter/Promoter group/group companies have any interest in this transaction? if yes, nature of interest and details thereof and whether the same is done at "arm's length"</p>	<p>YES</p> <p>PMFPL is a Wholly Owned Subsidiary Company of Paul Merchants Limited.</p> <p>Sh. Sat Paul Bansal, Sh. Rajneesh Bansal and Smt Sarita Rani Bansal, who are the Promoter Directors of the Company are also Directors of PMFPL.</p> <p>Though the transaction in question is not a Related party transaction in terms of Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI LODR Regulations, the proposed Transaction shall be on Arm's Length basis and a Certificate to this effect has already been issued by the Statutory Auditors of the Company.</p>
<p>Brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee:</p>	<p>Amount of Guarantee/Security shall not exceed Rs. 600.00 Crores (Rupees Six Hundred Crores Only) including the existing Guarantees/Securities.</p> <p>No consideration will be charged by the Company for the issuance of Guarantee or Security.</p>
<p>Impact of such guarantees or indemnity or surety on Listed Entity.</p>	<p>The impact on the Listed Entity shall not be immediate, considering the fact that it will be a contingent Liability, only coming into picture in case of default committed by PMFPL in repayment of its loan to the concerned bank/financial institution. In terms of monetary value, the impact on Paul Merchants Limited, in that case will be to the tune of actual default by PMFPL, which for the purpose of this disclosure may be taken to be maximum Rs. 600.00 Crores (Rupees Six Hundred Crores Only)</p>



Annexure –B

<p>Name of party for which such guarantees or indemnity or surety is given</p>	<p>Paul Merchants Finance Private Limited ('PMFPL'), in favour of which a Working Capital Limit has been sanctioned. This disclosure is in respect of this Working Capital Limit</p>
<p>Whether the Promoter/Promoter group/group companies have any interest in this transaction? if yes, nature of interest and details thereof and whether the same is done at "arm's length"</p>	<p>YES</p> <p>PMFPL is a Wholly Owned Subsidiary Company of Paul Merchants Limited.</p> <p>Sh. Sat Paul Bansal, Sh. Rajneesh Bansal and Smt Sarita Rani Bansal, who are the promoter directors of the Company are also Directors of PMFPL.</p> <p>Though the transaction in question is not a Related party transaction in terms of Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI LODR Regulations, the proposed Transaction shall be on Arm's Length basis and a Certificate to this effect has already been issued by the Statutory Auditors of the Company.</p>
<p>Brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee:</p>	<p>Maximum amount of Working Capital Limit-</p> <p>Rs. 400.00 Crores (Rupees Four Hundred Crores Only) to be disbursed in one or more tranches.</p> <p>Significant Terms and conditions:-</p> <p>Rate of interest shall not be lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan;</p> <p>As on date the applicable Rate of Interest shall be 9% p.a.;</p> <p>The Rate of Interest shall be charged on the balance outstanding on daily basis and becomes payable on monthly basis;</p>



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	The Rate of Interest will be subject to the review on the first day of every Quarter and may be revised in accordance with the relevant provisions of the Companies Act, 2013 and Rules made thereunder
Impact of such guarantees or indemnity or surety on Listed Entity.	The Working capital limit advanced to the Wholly Owned Subsidiary Company shall be strictly used in the Principal business activities of the latter. In terms of monetary value, the impact on Paul Merchants Limited may be taken to be maximum Rs. 400 Crores.

This is for your information and records please.

Thanking you,

Yours faithfully,

For PAUL MERCHANTS LIMITED

(HARDAM SINGH)
COMPANY SECRETARY & COMPLIANCE OFFICER
FCS 5046