

POSTAL BALLOT NOTICE

[PURSUANT TO SECTIONS 110 AND 108 OF THE COMPANIES ACT, 2013 READ WITH RULES 22 AND 20 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

Dear Members,

Notice is hereby given pursuant to the provisions of Section 110 and 108, and other applicable provisions of the Companies Act, 2013, as amended (the "Act"), read over with the Companies (Management and Administration) Rules, 2014, other applicable Rules framed under the Act, as amended, General Circular dated no. 09/2023 dated September 25th, 2023, read over with all earlier Circulars with particular reference to Circular no. 17/2020 dated April 13, 2020 and Circular no. 14/2020 dated April 8, 2020 on the subject of passing of ordinary and special resolutions in accordance with the framework provided in the aforesaid Circulars issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars"), Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ("SS-2") and any other applicable law, Rules and Regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), that the resolutions appended below are proposed to be passed by the members of the Company Paul Merchants Limited (the 'Company'), as on the Cut-off Date, through postal ballot (the "Postal Ballot") only by way of e-voting ("e-voting") process. An Explanatory Statement pertaining to the said resolutions setting out the material facts and the reasons/rationale thereof forms part of this Postal Ballot notice ("the Notice" or "the Postal Ballot Notice").

In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") and pursuant to the provisions of Sections 108 and 110 of the Act read with the rules framed thereunder and the applicable MCA Circulars, the manner of voting on the proposed resolution is restricted only to e-voting i.e. by casting votes electronically instead of submitting postal ballot forms. Accordingly, in compliance with the aforesaid MCA Circulars, the postal ballot notice, postal ballot forms and pre-paid business envelopes are not being sent to Members for this Postal Ballot. The Notice is being sent only through electronic mode to those Members whose email address is registered with the Company/RTA/ depository participant(s)/ Depositories. The details of the procedure to cast the vote forms part of the 'Notes' to this Notice.

The Board has appointed Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh, as the scrutinizer ("Scrutinizer") for conducting the Postal Ballot / e-voting process in a fair and transparent manner.

In compliance with the provisions of Section 108 and Section 110 of the Act read with Rule 20 and 22 of the Rules, Regulation 44 of the Listing Regulations, MCA Circulars and SS-2, the Company is pleased to provide e-voting facility to its Members, to enable them to cast their votes electronically. The detailed procedure with respect to e-voting is mentioned in this Notice. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for facilitating e-voting. The Company has made necessary arrangements M/s Alankit Assignments Ltd, Alankit House, 4E/2, Jhandewalan Extn. New Delhi- 110055 (INDIA), Registrar and Share Transfer Agent ("RTA") to enable the Members to register their e-mail address. Those Members who have not yet registered their e-mail address are requested to register the same by following the procedure set out in this Postal Ballot Notice.

Members desiring to exercise their vote through the e-voting process are requested to carefully read the instructions indicated in this Notice and record their assent (FOR) or dissent (AGAINST) by following the procedure as stated in the Notes forming part of the Notice not later than 5:00 p.m. (IST) on Sunday, December 10, 2023. The e-voting facility will be disabled by CDSL immediately thereafter and will not be allowed beyond the said date and time.

The Scrutinizer will submit his report to the Chairman of the Company (the "Chairman") or any other person authorized by the Chairman in writing, and the result of the voting by Postal Ballot (through the e-voting process) will be announced on Monday, December 11, 2023 at 5.00 PM at Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022. The result declared along with the Scrutinizer's report shall be communicated in the manner provided in this Postal Ballot Notice.

The last date of e-voting, i.e. Sunday, December 10, 2023, shall be the date on which the resolutions would be deemed to have been passed, if approved by the requisite majority. Further, resolutions passed by the members through postal ballot shall be deemed to have been passed as if they are passed at a General Meeting of the Members.

The Board of Directors of the Company now propose to obtain the consent of the members by way of Postal Ballot (through the e-voting process) for the matters as considered in the Resolutions appended below. The Explanatory Statement pursuant to Section 102, 110 and other applicable provisions, if any, of the Act pertaining to the said Resolutions, is appended to this notice.

You are requested to peruse the proposed Resolutions along with the Explanatory Statement and thereafter record your assent or dissent by means of e-voting facility provided by the Company.

RESOLUTIONS

1. INCREASE IN THE AUTHORISED SHARE CAPITAL AND CONSEQUENT ALTERATION OF THE CAPITAL CLAUSE IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

The Members are requested to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:-

"RESOLVED that pursuant to the provisions of Section(s) 13, 61 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the applicable Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company and pursuant to the recommendation of the Board of Directors of the Company (hereinafter referred to as "the Board"), consent and approval of the Members of the Company be and is hereby accorded for increasing the authorised share capital of the Company from the existing authorised share capital of ₹ 2,00,00,000/- (Rupees Two Crore only) divided into 20,00,000 (Twenty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten Only) each to ₹ 10,50,00,000/- (Rupees Ten Crores Fifty Lakhs only) divided into 1,05,00,000 (One Crore Five Lakhs) Equity Shares of ₹ 10/- (Rupees Ten Only) each by creation of additional 85,00,000 (Eighty Five Lakhs) Equity Shares of ₹ 10/- (Rupees Ten Only) each ranking pari-passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT pursuant to Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to alter and amend the existing Clause "5th" of the Memorandum of Association of the Company by replacing the same with the following new Clause as under:-

"5th. The Share Capital of the Company is ₹ 10,50,00,000/- (Rupees Ten Crores Fifty Lakhs only) divided into 1,05,00,000 (One Crore Five Lakhs) Equity Shares of ₹ 10/- (Rupees Ten Only) each."

RESOLVED FURTHER THAT the Board of Directors of the Company or any of its Committees authorized by it, be and are hereby authorized to do all such acts, deeds, matters and things and to settle all matters arising out of this Resolution and incidental thereto including filing the requisite forms with Ministry of Corporate Affairs and submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith and to settle all questions, difficulties or doubts that may arise in this regard at any stage without

requiring the Board to secure any further consent or approval of the Members of the Company and to sign and execute all such deeds, drafts, documents, applications and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution either on its own or by delegating all or any of its powers to any of the Directors, Company Secretary or any other officer of the Company.”

2 – ISSUE OF BONUS SHARES

The Members are requested to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:-

“**RESOLVED THAT** pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Share Capital and Debentures) Rules, 2014 and other rules framed under the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations (“**SEBI (ICDR) Regulations**”), 2018, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and other applicable provisions of regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of Article 38 of the Articles of Association of the Company, and pursuant to the recommendation of the Board of Directors of the Company (hereinafter referred to as “the Board”, which expression shall be deemed to include a Committee of Directors or officer(s) of the Company duly authorized in this behalf), and subject to such approvals, consents, permissions, conditions and sanctions as may be necessary from appropriate authorities and modifications, if any, as may be specified by the said authorities while according such approvals, approval of the Members be and is hereby accorded to the Board for capitalization of such sums standing to the credit of the free reserves and the securities premium account of the Company, as may be considered necessary by the Board, for the purpose of issue of bonus equity shares of ₹ 10/- each, credited as fully paid-up equity shares to the holders of the existing equity shares of the Company in consideration of their said holding and whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on the ‘Record Date’ to be determined by the Board or its Committee authorized by it in this regard, in the proportion of 2:1 i.e. 2 (Two) equity shares for every 1 (One) existing equity share held by the Members of the Company and that the new bonus equity shares so issued and allotted shall, for all purposes, be treated as an increase in the paid-up equity share capital of the Company held by each such Member.

RESOLVED FURTHER THAT the bonus equity shares so allotted shall be subject to the terms and conditions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing equity shares of the Company.

RESOLVED FURTHER THAT pursuant to SEBI (ICDR) Regulations, the allotment of shares in bonus issue shall be made only in dematerialized form and thus, in case of members who hold equity shares in dematerialized form, the bonus equity shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participant(s) and in the case of Members who hold equity shares in physical form, the bonus equity shares shall be transferred to the Suspense Account opened in this regard, within such time as prescribed by law and the relevant authorities, subject to guidelines issued by SEBI in this regard.

RESOLVED FURTHER THAT the issue and allotment of the bonus equity shares to the extent they relate to Non-Resident Indians (NRIs), Overseas Citizen of India, Overseas Corporate Bodies (OCBs), Foreign Portfolio Investors (FPIs) and other foreign investors of the Company will be subject to the approval of the RBI or any other Regulatory authority, as applicable, under the Foreign Exchange Management Act, 1999 and other applicable Statutes, as amended and subject to other compliances as prescribed in the applicable RBI Regulations or other applicable Regulations, as amended.

RESOLVED FURTHER THAT the Board or any of its Committees be and is hereby authorized to take necessary steps for listing of the New Equity Shares on BSE Ltd, where the securities of the Company are presently listed, as per the provisions of the SEBI Listing Regulations and other applicable guidelines, Rules and Regulations, as amended.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and are hereby authorized to do all such acts, deeds, matters and things and to settle all matters arising out of this Resolution and incidental thereto including determining all other terms and conditions of the issue of bonus equity shares as it may in its absolute discretion deem fit, filing the requisite forms with Ministry of Corporate Affairs and submission of documents with SEBI and other Authorities, for the purpose of giving effect to this Resolution and for matters connected therewith and to settle all questions, difficulties or doubts that may arise in this regard at any stage without having the necessity to secure any further consent or approval of the Members of the Company and to sign and execute all such deeds, drafts, documents, Undertakings, applications and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution either on its own or by delegating all or any of its powers to any of the Directors, Company Secretary or any other officer of the Company.”

Place: Chandigarh

Date: November 9, 2023

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 pursuant to Section 102 read with Section 110 of the Companies Act, 2013 (the "Act") stating all material facts and the reasons/rationale for the proposal is annexed herewith.
2. This Postal Ballot Notice is being sent to the members whose names appear on the register of members / list of beneficial owners as received from the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and whose email address is registered with the Company/RTA/depository participant(s), after closing of business hours of Friday, November 3, 2023 ("Cut-off Date"). A person who is not a member as on the Cut-off Date should treat this Postal Ballot Notice for informational purposes only. In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") and pursuant to the provisions of Sections 108 and 110 of the Act read with the rules framed thereunder and the MCA Circulars, the manner of voting on the proposed resolution is restricted only to e-voting i.e., by casting votes electronically instead of submitting physical postal ballot forms. Accordingly, physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope are not being sent to the Members for this Postal Ballot. The communication of the assent or dissent of the Members would only take place through the e-voting system. For receiving copy of postal ballot notice, members who have not yet registered their email addresses are requested to get their email addresses registered by following the process listed out in Note no. 20
3. The resolutions, if passed by the requisite majority through evoting, will be deemed to have been passed on the last date specified for evoting i.e., December 10, 2023. Further, resolutions passed by the members through this postal ballot process (through the e-voting process) are deemed to have been passed as if they are passed at a General Meeting of the Members.
4. The Scrutinizer will submit his report to the Chairman of the Board or any other person authorized by the Chairman in writing after the completion of scrutiny of

the e-voting, and the result of the Postal Ballot through e-voting shall be declared by the Chairman of the Board or any other person duly authorized by him in writing on Monday, December 11, 2023 at 5.00 PM at Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022. The results will also be displayed on the Company website <https://www.paulmerchants.net>, on the website of CDSL www.evotingindia.com, and communicated 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.

5. All material documents referred to in the explanatory statement will be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch until the last date for receipt of votes by e-voting. Alternately, Members may also send their requests to investor.redressal@paulmerchants.net or ramap@alankit.com from their registered e-mail address mentioning their names, folio numbers, DP ID and Client ID during the voting period of the postal ballot.
6. The voting rights of the Members shall be in proportion of their shareholding to the total issued and paid-up equity share capital of the Company as on the Cut-off Date i.e. after the closing of business hours of November 3, 2023.
7. Members holding shares either in physical form or dematerialized form, as on the Cut-off Date i.e. after closing business hours of November 3, 2023, (including those Members who may not receive this Postal Ballot Notice due to non-registration of their email address with the DPs, as aforesaid) can cast their votes electronically, in respect of the resolutions as set out in this Postal Ballot Notice only through the e-voting.
8. 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 mentioned above, this Postal Ballot Notice is being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA/Depositories/Depository Participants. Members may note that the Postal Ballot Notice 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 e-Voting facility) i.e. www.evotingindia.com (Adobe PDF can be downloaded at <https://get.adobe.com/reader>). The copies of the Postal Ballot Notice will also be available for inspection in electronic mode, basis the request being sent on investor.redressal@paulmerchants.net.
9. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote.
10. 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 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.

11. In compliance with the provisions of Section 108, 110 of the Companies Act, 2013 and the Rules framed thereunder and Regulation 44 of the Listing Regulations, Company is providing facility for voting by electronic means to its members to enable them to cast their votes electronically through e-voting and for this purpose the Company has engaged the services of Central Depository Services (India) Limited (CDSL) and as such, the business set out in this Postal Ballot Notice shall be transacted through such voting. The facility of casting votes by a member using e-voting will be provided by CDSL. 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.
12. In accordance with the MCA Circulars, the Members are requested to take note of the following:-
 - a. Vide 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, SEBI had 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 and prescribed certain standardized forms for submitting various service requests. The said Forms are available on the Website of the Company [www.paulmerchants.net\Investors](http://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>. The Shareholders are requested to refer to the said Circulars and Formats for the relevant matters provided therein. As on the date of this Notice, there is no shareholder of the Company who holds the shares in physical form.
 - b. Members holding shares of the Company in electronic form can verify/update their email address and mobile number with their respective DPs.

- c. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
- d. 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
- e. 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.

E-voting:-

- 13. In compliance with Regulation 44 of the Listing Regulations and Section 108, 110 of the Act, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended and the relevant MCA Circulars, the Company is pleased to provide facility of e-voting to enable its Members to cast their votes electronically in respect of the resolutions as set out in this Postal Ballot Notice.
- 14. The e-voting period shall commence from Saturday, November 11, 2023 (9.00 a.m. IST) and ends on Sunday, December 10, 2023, (5.00 p.m IST). The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be forthwith disabled by CDSL upon expiry of the aforesaid period. Once the vote on the resolutions is cast by the Member, he/she shall not be allowed to change it subsequently. 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
- 15. 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 e-voting process in a fair and transparent manner.
- 16. The 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 evoting:-

| | |
|---------------------------------|--|
| Commencement of e-voting | Saturday, November 11, 2023 (9.00 a.m. IST) |
| End of e-voting | Sunday, December 10, 2023, (5.00 p.m IST) |
| Cut Off date | Friday, November 3, 2023 (After the closing of business hours) |

17. The procedure and instructions for e-voting 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/myeasinew/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 e-Voting period. 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/myeasitoken/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system |

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|---|--|
| | will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL | <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.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.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 the e-Voting page. Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in | 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 |

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| demat mode) login through their Depository Participants | redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the e-Voting period or joining virtual meeting & voting during the meeting. |
|---|---|

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 |

18.Login method for e-Voting 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) • 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
- q. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

19. Instructions for Non – Individual Shareholders and Custodians – For 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 the attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at his email ID 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.

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

- i. For Physical shareholders- Please refer to the instructions given at Note no. 12.
- 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.

GENERAL INSTRUCTIONS

- i. If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43 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. 03-11-2023
- iii. The result of the e-voting shall be declared by the Chairman of the Board or any other person duly authorized by him in writing on Monday, December 11, 2023 at 5.00 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 at www.bseindia.com, 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 last date specified for evoting i.e., December 10, 2023, 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.



PAUL MERCHANTS LTD.
(An ISO 9001:2015 Certified Co.) (CIN: L74900DL1984PLC018679)

CORP. OFF.: PML House, SCO 829-830, Sector 22-A, Chandigarh - 160 022 Ph. 0172-5041786, 5025090 Fax : 0172-5041713

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. : 011-47529460

Explanatory statement pursuant to Sections 102(1) and 110 of the Companies Act, 2013

Resolutions No. 1 and 2

The equity shares of your Company are listed and traded on the BSE Limited. With a view to encourage the participation of small investors by making equity shares of the Company affordable, increasing the liquidity of the equity shares and to expand the retail shareholder base, the Board in its meeting held on November 9, 2023 considered, approved and recommended a bonus issue of 2 (Two) equity share for every 1 (One) existing equity share held by the shareholders of the Company, for the approval of the shareholders of the Company, on the 'Record Date' to be determined by the Board or its Committee authorized by it in this regard.

Presently, the authorized share capital of your Company is ₹ Rs. 2,00,00,000/- (Rupees Two Crores Only) comprising of 20,00,000 (Twenty Lakhs) Equity Shares of Rs.10/- each and Paid up Share Capital of the Company is Rs. 1,02,80,000/- (Rupees One Crore Two Lakhs Eighty Thousand) comprising of 10,28,000 (Ten Lakhs Twenty Eight Thousand) Equity Shares of Rs. 10/- each. In view of the proposed bonus issue of Equity shares and keeping in mind the possible future requirements of the Company in view of its long term strategic plans, it is proposed to increase the authorized share capital to Rs. 10,50,00,000 (Rupees Ten Crores Fifty Lakhs only) divided into 1,05,00,000 (One Crore Five Lakhs) Equity Shares of ₹ 10/- (Rupees Ten Only) ranking pari passu with the existing Equity Shares in all respects as per the Memorandum and Articles of Association of the Company. The increase in authorized share capital as aforesaid would require consequential amendment to the existing Clause 5th of the Memorandum of Association of the Company.

The increase in authorized share capital and alteration of relevant clause of the Memorandum of Association of the Company and issue of bonus equity shares, are subject to approval of the Members in terms of Sections 13, 61 and 63 of the Companies Act, 2013 and is also subject to other applicable statutory and regulatory approvals.

Accordingly, Resolutions no. 1 and 2 of this Notice seek Members' approval for increase in authorized share capital and consequential amendment to Memorandum of Association of the Company and capitalization of the amount standing to the credit of free reserves and the securities premium account for the purpose of issue of bonus equity shares on the terms and conditions set out in the resolutions.

No Director, Key Managerial Personnel or their relatives are in any way concerned or interested in the Resolutions no. 1 and 2 of this Notice except to the extent of their shareholding in the Company or to the extent of the shareholding of companies of which they are directors or members.

The Board recommends the Resolutions no. 1 and 2 for approval of the Members by way of Ordinary Resolutions.

Place: Chandigarh
Date: November 9, 2023

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