



**PAUL MERCHANTS**

**Paul Merchants Limited**

An ISO 9001 : 2015 Certified Company CIN : L74900DL1994PLC018679

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/BM /2020/490  
Date: November 17, 2020**

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

**SCRIP CODE: 539113**

**Respected Sir/Madam,**

Pursuant to Regulation 30 of the SEBI LODR Regulations, we hereby inform you that Directorate of Enforcement, Southern Regional Office, Government of India vide its Order No. ADE/SRO/CEZO-I/20/2020 dated 29<sup>th</sup> October, 2020 received by us on 16<sup>th</sup> November, 2020 had imposed an Aggregate Penalty of Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) on the Company for contravention of provisions of Sections 3 (a), 10 (4) and 10 (5) of the Foreign Exchange Management Act, 1999 and KYC norms in connection with certain transactions of sale of Foreign Currency Travel Cards conducted by Four Branches of the Company in the State of Tamil Nadu.

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

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

The proceedings were initiated by the Office of the Additional Director of Enforcement, Directorate of Enforcement, Southern Regional Office, Government of India, 3rd Floor, Murugesan Complex, No. 84, Greams Road, Chennai - 600 006

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

The said Office of the Additional Director of Enforcement, Directorate of Enforcement had alleged contravention by the Company of various provisions of Foreign Exchange Management Act, 1999 and KYC norms while undertaking some transactions of sale of Foreign Currency Travel Cards by Four Branches of the Company in the State of Tamil Nadu. All the said Four branches have since been closed by the Company and the concerned employees are no longer in the employment of the Company.

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



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The final implications will be known only after the outcome of the appeal, which the Company is in the process of filing against the order passed by the Adjudicating Authority i.e. Additional Director of Enforcement, Directorate of Enforcement, Southern Regional Office, Government of India, 3rd Floor, Murugesan Complex, No. 84, Greams Road, Chennai - 600 006 on various grounds. At that time, the financial implications for the Company shall be to the extent of amount of penalty finally adjudicated upon by the Appellate Authority.

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

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

**e. 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**

An Aggregate Penalty of Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) has been imposed on the Company.

Further an Aggregate Penalty of Rs. 1,80,00,000/- (Rupees One Crore Eighty Lakh Only) has also been imposed on Sh. Dharam Pal Sharma, Designated Whole Time Director of the Company in connection with the abovesaid contravention. The information in this regard pursuant to Regulation 30 of SEBI LODR Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, to the extent applicable is as follow:

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

The proceedings were initiated by the Office of the Additional Director of Enforcement, Directorate of Enforcement, Southern Regional Office, Government of India, 3rd Floor, Murugesan Complex, No. 84, Greams Road, Chennai - 600006

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

The said Office of the Additional Director of Enforcement, Directorate of Enforcement had alleged contravention by the Company of various provisions of Foreign Exchange Management Act, 1999 and KYC norms while undertaking some transactions of sale of Foreign Currency Travel Cards by Four Branches of the Company in the State of Tamil Nadu. All the said Four branches have since been closed by the Company and the concerned employees are no longer in the employment of the Company.

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

The final implications will be known only after the outcome of the appeal, which the Company is in the process of filing against the order passed by the Adjudicating



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Authority i.e. Additional Director of Enforcement, Directorate of Enforcement, Southern Regional Office, Government of India, 3rd Floor, Murugesan Complex, No. 84, Greams Road, Chennai - 600 006 on various grounds. At that time, the financial implications for the Company shall be to the extent of amount of penalty finally adjudicated upon by the Appellate Authority.

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

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

**e. 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**

An Aggregate Penalty of Rs. 1,80,00,000/- (Rupees One Crore Eighty Lakh Only) has been imposed on Sh. Dharam Pal Sharma.

This is for your information and record.

Thanking you,

Yours faithfully,

**For PAUL MERCHANTS LIMITED,**

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