



Press Release

Paul Merchants Limited (PML)

February 20, 2026

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Fund based - long term Bank Facilities – Working capital facilities-	8.00	IVR BBB-/ Stable and Withdrawn (IVR Triple B Minus with Stable Outlook and Withdrawn)	IVR BBB /Negative (IVR Triple B with Negative outlook)	Rating downgraded; outlook revised and withdrawn#	Simple
Fund based - long term Bank Facilities – Working capital facilities	0.00	--	IVR BBB /Negative (IVR Triple B with Negative outlook)	Rating Withdrawn@	Simple
Non-Fund based – Short term bank facilities – Bank Guarantee	2.00	IVR A3 and Withdrawn (IVR A Three and Withdrawn)	IVR A3+ (IVR A three plus)	Rating downgraded and withdrawn#	Simple
Proposed Long term/short term loans	0.00	--	IVR BBB / Negative (IVR Triple B with negative outlook)/ IVR A3+ (IVR A three plus)	Rating Withdrawn^	Simple
Total	10.00 (Rupees Ten Crore)				

The above action has been taken at the request of Paul Merchants Limited and 'No Objection Certificate' received from the bank who have extended the facilities which is rated by Infomerics and 'it is in line with Infomerics' policy of Withdrawal of the rating'.

@ The above action has been taken at the request of Paul Merchants Limited and 'No Due Certificate' received from the bank who have extended the facilities which is rated by Infomerics and 'it is in line with Infomerics' policy of Withdrawal of the rating'.

^ The withdrawal of the rating assigned to the proposed long term/short term facility takes into account the confirmation by Paul Merchants Limited informing that the company is not going ahead with raising these loans as envisaged earlier and 'It is in line with Infomerics' policy of Withdrawal of the rating'.



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Details of Facilities/Instruments are in *Annexure 1*.

Facility wise lender details are at *Annexure 2*.

Detailed explanation of covenants is at *Annexure 3*.

Detailed Rationale

Infomerics has downgraded and simultaneously withdrawn its ratings assigned to the bank facilities of Paul Merchants Limited (PML). The downgrade reflects a decline in forex revenue, inherently thin profitability margins associated with the trading nature of operations, and the company's exposure to risks in the U.S. and Canadian markets. Nevertheless, the rating continues to be supported by the promoters' extensive experience, established operational track record, and a comfortable capital structure. The rating is simultaneously withdrawn with immediate effect.

The withdrawal of rating is based on the request of the PML wherein 'No objection certificate' and 'No Dues certificate' are received from the respective lenders for the sanctioned facilities. Similarly, the rating assigned to proposed bank facilities of PML have been withdrawn based on the request of PML and confirmation that the company is not going ahead with raising these loans as envisaged earlier. The rating is withdrawn in accordance with the Infomerics Ratings policy on withdrawal of ratings.

Infomerics has assigned a Stable outlook to the company, reflecting the continued benefits derived from its experienced promoter group and its comfortable capital structure.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustained improvement in scale of operations coupled with improvement in profitability by diversifying its revenues stream.

Downward Factors

- Inability to improve operating profile in the medium term.



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced Promoters with established track record:**

Incorporated in 1991, PML operates in the money changing and remittance business. The company functions under the leadership of Mr. Sat Paul Bansal (Chairman) and Mr. Rajneesh Bansal (Managing Director), along with a team of experienced professionals who each bring over 20 years of expertise in the financial services sector. PML provides a range of remittance services catering to purposes such as business travel and overseas education. In addition to earning margins from its money changing operations, the company generates fee-based income through services including remittances, prepaid forex cards, and referrals, thereby maintaining a diversified revenue stream. The promoters' extensive industry experience has helped the company implement strong risk management practices across its varied foreign exchange operations.

- **Comfortable capital structure**

PMLs net worth stood comfortably at Rs 479.24 crore for FY25 (refers to period April 1st, 2024, to Mar 31, 2025) (Rs 473.79 crore in FY24) as against its total debt of Rs 16.30 crores for FY25 (Rs 13.42 crore for FY24) resulting in a low gearing of 0.03x for FY25 (0.03x for FY24) indicating comfortable capitalization. On account of low debt exposure, its capital structure is expected to remain comfortable in the short to medium term.

Key Rating Weaknesses

- **Decline in forex revenues**

PML revenue has declined on sustained basis with total revenue declining to Rs.3,328.58 crore in FY25 (refers for the period 1 April 2024 to 31 March 2024) when compared to Rs 6,501.85 crore in FY24. Additionally, as on 9MFY26 revenue has further declined to Rs. 1583.89 crore. Due to sudden dip in the students going overseas for education purposes due to the tightening of norms in Canada & UK from January 2024 onwards, the sale and purchase of foreign exchange has decreased significantly in the last Quarter of FY24-25, impacting the overall volume of Turnover from Forex. However, the income from new ventures is yet to make meaningful contribution towards the revenues. Going forward, the



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ability of PML to sustain and improve their scale of operations amidst external challenges will be key monitorable.

- **Inherently low profitability margins due to the trading nature of operations**

PML operates across multiple business segments, including foreign exchange, money transfer, and tourism. However, the primary contribution to its Total Operating Income (TOI) comes from the foreign exchange segment. Since this business is largely trading-oriented in nature, the company operates on relatively thin profit margins.

- **Exposure to U.S. and Canada Market Risks**

PML's International Money Transfer (IMT) business, particularly student remittances and education-related forex services, is vulnerable to regulatory changes in key markets like the U.S. and Canada. Aggressive revocation of student visas and higher F-1 visa rejection rates have negatively affected overseas student remittance volumes. Additionally, the potential elimination of the Optional Practical Training (OPT) program poses a risk to the company's core student-linked forex services, directly impacting revenue from these segments.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Service Sector Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of assigning Rating Outlook](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Default Recognition](#)

[Policy on Withdrawal of Ratings](#)

Liquidity – Adequate

PML's liquidity is adequate marked by low debt amounting to Rs 16.30 crore, tangible net worth of Rs 479.24 crore and cash and bank balances of Rs. 34.73 crore as on March 31, 2025.



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About the Company

PML is the flagship Company of renowned 'PAUL Group of Companies', a conglomerate having interests in varied fields including Foreign Exchange, Tours & Travels, International Money Transfer, Domestic Money Transfer, etc. The Company is Listed under Bombay Stock Exchange. It holds license issued by Reserve Bank of India to act as Authorized Dealer Category II and is a Sub-Agent of EBIX Money Express (P) Ltd for providing inbound International Money Transfer services. Further PML is an IATA accredited Travel Agency.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	6501.84	3328.58
PAT	26.12	5.91
Total Debt	13.42	16.29
Tangible Net Worth	473.79	479.24
Ratios		
EBITDA Margin (%)	0.17	(0.14)
PAT Margin (%)	0.40	0.17
Overall Gearing Ratio (x)	0.03	0.03
Interest Coverage (x)	6.63	(3.85)

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: None



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Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Working Capital facilities	Long Term	8.00	IVR BBB- / Stable and Withdrawn (February 20, 2026) IVR BBB / Negative (Aug 21, 2025) IVR BBB+/Negative (June 04, 2025)	IVR A/RWDI (Aug 23, 2024) IVR A/RWDI (Nov 28, 2024) IVR A-/Negative (25 Feb 2025)	IVR A/ Negative (June 07, 2023) IVR A/Stable (July 24, 2023)	--
2.	Fund based - long term Bank Facilities – Working capital facilities	Long Term	0.00	-- IVR BBB / Negative (Aug 21, 2025) IVR BBB+/Negative (June 04, 2025)	IVR A/RWDI (Aug 23, 2024) IVR A/RWDI (Nov 28, 2024) IVR A-/Negative (25 Feb 2025)	IVR A/ Negative (June 07, 2023) IVR A/Stable (July 24, 2023)	
3.	Bank Guarantee	Short Term	2.00	IVR A3 and	IVR A1/RWDI	IVR A1	--



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Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
				Withdrawn (February 20, 2026) IVR A3+ (Aug 21, 2025) IVR A3+ (June 04, 2025)	(Aug 23, 2024) IVR A1/RWDI (Nov 28, 2024) IVR A2+ (25 Feb 2025)	(June 07, 2023) IVR A1 (July 24, 2023)	
4.	Proposed Loans	Long Term/Short Term	0.00	-- IVR BBB / Negative / IVR A3+ (Aug 21, 2025) IVR BBB+/Negative/A3+ (June 04, 2025)	IVR A/IVR A1/RWDI (Dated Aug 23, 2024) IVR A/IVR A1/RWDI (Dated Nov 28, 2024) IVR A-/Negative/A2+ (25 Feb 2025)	- IVR A/Stable/IVR A1 (July 24, 2023)	--



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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash credit	-	-	-	Revolving	8.00	IVR BBB-/Stable
Bank Guarantee	-	-	-	Revolving	2.00	IVR A3

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_Paul_Merchants_feb26_432f3377a6.pdf

Annexure 3: Detailed explanation of covenants of the rated facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.