

# RAHUL MERCHANDISING LIMITED

Reg. office: No 18, Basement, NRI Complex, Greater Kailash, Part IV, New Delhi-110019

Email: [rahulmerchandising@gmail.com](mailto:rahulmerchandising@gmail.com)

Website: [www.rahulmerchandising.com](http://www.rahulmerchandising.com)

## ANNUAL REPORT 2011-2012

### BOARD OF DIRECTORS

Mr. Suresh Mansharamani	Chairman & Managing Director
Mr. Pardeep Kumar	Director
Mr. Rahul Mansharamani	Director
Mr. Naveen Asrani	Director
Mr. Brij Mohan	Director
Mr. Amrendra Kumar Singh	Director

### AUDITORS

#### **JAGDISH SAPRA & CO., Chartered Accountants**

23, Prakash Appartments,  
5, Ansari Road, Darya Ganj,  
New Delhi- 110002

### REGISTERED OFFICE

No 18, Basement, NRI Complex  
Greater Kailash, Part IV,  
New Delhi-110019.

### REGISTRAR AND TRANSFER AGENT

#### **Alankit Assignments Limited,**

RTA Division, Alankit House,  
2E/21, Jhandewalan Extension,  
NewDelhi – 110055(India)  
Ph.: 91-11-42541234, 23541234,  
Fax: 91-11-23552001.  
e-mail: [rta@alankit.com](mailto:rta@alankit.com)  
Website: [www.alankit.com](http://www.alankit.com)

## NOTICE OF AGM

Notice is hereby given that the Annual General Meeting of the Members of **M/S. RAHUL MERCHANDISING LIMITED** is scheduled to be held on Saturday, 29<sup>th</sup> day of September, 2012 at Registered Office of the Company at No. 18, Basement, NRI Complex, Greater Kailash, Part-IV, Delhi-110019 at 10:30 A.M. to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and Profit and Loss Account for the period ended on that date together with Auditors' and Directors' Report thereon.
2. To consider and to appoint a Director in place of Mr. Brij Mohan Ravi who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and appoint Auditors M/S. JAGDISH SAPRA & CO., CHARTERED ACCOUNTANTS, New Delhi who retire at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment and will hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of next AGM of the Company and to fix their remuneration.

**For and on behalf of the Board of Directors**

-sd-

**Suresh Mansharamani**  
**Chairman**

**Date: 13.08.2012**  
**Place: New Delhi**

### NOTES:

1. **A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll only and a proxy need not be a member of the Company.**
2. **In order to be effective, Proxy forms duly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.**
3. The Register of members and share transfer books of the Company will remain closed from September 27, 2012 to September 29, 2012 (both days inclusive).
4. All documents referred to in the Company's notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
5. All members are requested to make their correspondence relating to the shares in physical and demat to our Share Transfer Agent i.e. Alankit Assignments Limited at its office at RTA Division, Alankit House, 2E/21, Jhandewalan Extension, New Delhi -110055.

**For and on behalf of the Board of Directors**

-sd-

**Suresh Mansharamani**  
**Chairman**

**Date: 13.08.2012**  
**Place: New Delhi**

## **DIRECTORS' REPORT**

### **The Members,**

The Board of Directors of **RAHUL MERCHANDISING LIMITED** has the pleasure in presenting the Directors' Report on the Audited Annual Accounts for the year ended on 31st March, 2012.

### **FINANCIAL HIGHLIGHTS**

<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
Total Income	576,725	445,005
Total Expenditure	721,071	511,467
Profits (Loss) before interest, Depreciation and Tax	(144,346)	(66,462)
Interest and Financial Charges	Nil	Nil
Profits (Loss) before Depreciation and Tax	(144,346)	(66,462)
Depreciation	Nil	Nil
Net Profits (Loss) before Tax	(144,346)	(66,462)
Tax Provision	Nil	Nil
Net Profits (Loss)	(144,346)	(66,462)

### **FUTURE PROSPECTS**

Your Board of Directors anticipates a better future in the years to come and has been putting in best of its efforts to bring the Company into operation to achieve the positive performance. Though there are tough challenges ahead, your Board is very confident that the better future with positive results is soon to come. Your Management is trying their best to resume its operation and return the Company back to its glorious period with effective and efficient utilization of all its resources.

### **DIVIDEND**

Keeping in view business prospects and dearth of distributable profits, the Board of Directors has not recommended the payment of any dividend for the year.

### **DEPOSITS**

During the year of Report, your Company has not accepted any public deposit falling within the provisions of Section 58A of the Companies Act, 1956.

### **CORPORATE GOVERNANCE**

The Company has not been in business operation. The Board of Directors has been ensuring all the statutory compliances like Board meeting and so on with its best efforts and an initiative to revive its operation. Your Board feels that there is nothing to report on the matter of corporate governance except statutory compliance. Still your Board has decided to give brief of the compliance in form of the Corporate Governance Report.

## **AUDITORS**

The Statutory Auditors M/S. JAGDISH SAPRA & CO., CHARTERED ACCOUNTANTS, New Delhi who retire at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a letter from them that if their appointment be made, that would be within the limit as specified under Section 224 (1B) and they are qualified as per Section 226 of the Companies Act, 1956. The Board of Directors recommends their name for approval by the members of the Company from the conclusion of ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

## **COMMENT ON AUDITOR'S REPORT**

Auditor's Report and Notes to the accounts on the annual account of the Company for the year ended 31st March, 2012 are self explanatory and do not require any further comment under section 217(3) of the Companies Act, 1956.

## **PARTICULARS OF THE EMPLOYEES AS REQUIRED U/S 217(2A)**

The Company has no employee who has been drawing remuneration beyond the prescribed limit in terms of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## **COMPLIANCE CERTIFICATE**

The Company has obtained the Compliance Certificate from Rakhi Rajvanshi & Associates, Company Secretary, Gurgaon as required under Section 383A of the Companies Act, 1956 which is self explanatory and does not need any comments from Board.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information required under section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars) in the Report of Board of Directors, Rules, 1988, with regard to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are as follows:

### **I. CONSERVATION OF ENERGY**

There is no operation, at present, in the Company. Your Company has installed all energy saving devices in order to save energy to the maximum extent possible at its office.

### **II. TECHNOLOGY ABSORPTION:**

The Company has not entered into any contract involving any technical know-how during the Financial Year since there was no operation in the Company.

### **III. FOREIGN EXCHANGE EARNING AND OUTGOING**

1. Foreign Exchange Earning : Rs. 576,725/-
2. Foreign Exchange Outflow: Rs. NIL

**(During the year the foreign currency debt has not valued in light of the current situation and state of the Company).**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Your Management has examined the overall situation and reviewed the current scenario and has observed that in light of current situation and financial strength of the Company and believes that future of the Company is bright and better days are soon to come.

Hence at this juncture, overall analysis of the situation of the Company is such that the Management is prompted to do better and move ahead. Your Management is very much enthusiastic to achieve the positive performance with all its dedication.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement it is hereby confirmed:

1. That in the preparation of the accounts for the Financial Year ended on 31<sup>st</sup> March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and of profit or loss of the Company for the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the Financial Year ended on 31<sup>st</sup> March, 2012 on a going concern basis.

### **ACKNOWLEDGEMENT**

The Board of Directors wish to place on record their sincere appreciation for wholehearted contribution and co-operation extended by the Banks and Financial Institutions, customers, employees, Shareholders, Government, Semi Government Authorities etc. during the Financial Year ending on 31.03.2012 to our Company.

**For and on behalf of the Board of Directors**

Date: 13.08.2012  
Place: New Delhi

-sd-  
**Suresh Mansharamani**  
**CHAIRMAN**

## REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below for the Financial Year 2011-12.

### 1) Company's Philosophy on code of Corporate Governance:

Corporate Governance refer to a combination of regulations, procedures and voluntary practices that enable companies to maximize shareholder's value by attracting financial & human capital and efficient performance.

As a responsible corporate citizen, it is the earnest endeavor of the Company to improve its focus on Corporate Governance by increasing accountability & transparency to shareholders, bankers, customers etc.

The Company has complied with the guidelines on Corporate Governance laid down by the Stock Exchanges to the extent of its applicability and its business operation.

### 2) Board of Directors:-

#### **Composition**

The Board of Directors of the Company has an optimum combination of executive, non-executive, independent and additional directors. The Board comprises of Six Directors, headed by an Executive Chairman.

The Company is managed by the Managing Director and five other non-executive Directors. The Board of Director approves and reviews strategy and oversees the actions and results of Management to ensure that the long term objectives of maximizing profit and enhancing shareholders value are achieved.

The composition and category of Directors as on 31.03.2012 is as follows:

<b>Name of the Directors/ Resignation</b>	<b>Position</b>	<b>Board Meetings held during the period of Directorship</b>	<b>Board Meetings attended</b>	<b>Whether attended Meetings last AGM</b>	<b>No. of Directorship held in other public limited companies incorporated in India</b>
Mr. Suresh Mansharamani	Managing Director	6	6	Yes	No
Mr.Rahul Mansharamani	Director	NIL			No
Mr. Pardeep Kumar	Director	6	6	Yes	No

Mr. Amrendar Kumar Singh	Director	6	NIL	Yes	No
Mr. Brij mohan	Director	6	6	Yes	
Mr. Naveen Asrani	Director	6	6	Yes	

None of the Director is a member of more than ten Board-level committees, or a Chairman of more than five such committees, as required under clause 49 of the Listing Agreement.

#### **Meetings & Attendance:**

During the last Financial Year, the Board of Directors of your Company met at six meetings on 30/4/2011, 15/7/2011, 1/9/2011, 15/10/2011, 30/1/2012 and 31/3/2012. Agenda papers along with explanatory notes were circulated to the Directors well in advance for each of these meetings. All relevant information, as per Clause 49 of the Listing Agreement was placed before the Board from time to time.

Remuneration of Directors: Sitting Fees, Salary, Perquisites and Commission.

<b>Name of the Director</b>	<b>Relationship with other Directors</b>	<b>Sitting Fees</b>	<b>Commission on profits</b>	<b>Salary (Rs.)</b>	<b>Perquisites &amp; Allowances</b>	<b>Total</b>
Mr. Suresh Mansharamani	Father of Mr. Rahul Mansharamani	NA	NA	Rs.2,20,000/-	NIL	Rs.2,20,000/-
Mr. Rahul Mansharamani	Son of Mr. Suresh Mansharamani	NIL	NIL	NIL	NIL	NIL
Mr. Pradeep Kumar	None	NIL	NIL	NIL	NIL	NIL
Mr. Gulshan Kumar	None	NIL	NIL	NIL	NIL	NIL
Mr. A.K Singh	None	NIL	NIL	NIL	NIL	NIL
Mr. Brij Mohan	None	NIL	NIL	NIL	NIL	NIL

### 3) **Committees of the Board:**

#### **Audit Committee**

The Audit Committee of the Board of Directors has been constituted in conformity with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Committee comprises of three directors, all are non-executive directors. Five Audit Committee Meetings were held during the year on 20<sup>th</sup> July,2011, 1<sup>st</sup> September, 2011 ,20<sup>th</sup> October,2011, 21<sup>st</sup> January,2012 and 20<sup>th</sup> April, 2012.

Composition of the Audit Committee is as follows:

<b>Name of the Director</b>	<b>Position held in Committee</b>
Mr. Pardeep Kumar	Chairman
Mr. Amrendra Kumar Singh	Member
Mr. Brij Mohan Ravi	Member

The Audit Committee of Rahul Merchandising Limited performs the following functions:

1. Oversee the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Reviewing with Management the Annual Financial Statement before submission to the Board focusing primarily on.
3. Any change in accounting policies and practices.
4. Major accounting entries based on exercise of Judgment by Management.
5. Qualification in draft audit report.
6. Significant adjustments arising out of audit.
7. The going concern assumption.
8. Compliance with accounting standards.
9. Any related party transaction i.e. transactions with promoters/Management their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
10. Reviewing the adequacy of internal control systems with Management, external and internal auditors.
11. Reviewing the adequacy of internal audit function and reporting the matter of the Board.
12. Reviewing the Company's financial risk Management policies.
13. Reviewing the findings of internal investigation on suspected fraud or irregularities of failure of internal control systems.

#### **Shareholders' / Investors' Grievance Committee:**

The composition of Shareholders' / Investors' Grievance Committee is as follows:

<b>Name of the Director/ Sr. Executive</b>	<b>Position held in Committee</b>
Mr. Pardeep Kumar	Chairman
Mr. Suresh Mansharamani	Member



Share transfer requests received by the Company or by its Registrar and Share Transfer Agents are registered within a period of 30 days from the receipt, if the transfer documents are complete in all respects. The demat requests are normally confirmed within 15 days from the date of receipt.

### **Remuneration Committee**

The Committee determines Company's Policy on specific remuneration package for executive directors. The Composition of the Committee is as follows:-

<b>Name of the Director</b>	<b>Position held in Committee</b>
Mr. Pardeep Kumar	Chairman
Mr. Amrendra Kumar Singh	Member
Mr. Brij Mohan	Member

#### 4) **Management discussion and analysis**

The Annual Report contains matter on Management discussion and analysis.

#### 5) **Compliance Officer**

The Board has designated one of its Directors, Mr. Pardeep Kumar, as the Compliance Officer of the Company.

#### 6) **Details of shareholders' complaints received & attended during the year**

<b>Subject</b>	<b>Complaints</b>		
	<b>Received</b>	<b>Attended</b>	<b>Pending</b>
Investor's Complaints	NIL	NIL	NIL
<b>TOTAL</b>	NIL	NIL	<b>NIL</b>

## 7) General Body Meetings

The last three Annual General Meeting of your Company were held at following schedules:

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Address</b>
2008-2009	30.9.2009	11:00 A.M	S-17/18, Chankya Place, Opp Janakpuri C-1, New Delhi 110059.
2009-2010	30.09.2010	10:30 A.M	138-A Taimoor Nagar, New Friends Colony New Delhi-110065
2010-2011	30.09.2011	10:30 A.M	138-A Taimoor Nagar, New Friends Colony New Delhi-110065

## 8) Disclosures

- a) Details of material financial and commercial transactions with related parties

During the Financial Year 2011-2012, no material financial /commercial transactions conducted with related parties.

- b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There is no material non-compliance or penalties or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

- c) Disclosures regarding appointment or re-appointment of directors

According to the Articles of Association of Rahul Merchandising Limited, one third of the rotational directors retire by rotation at every annual general meeting of the Company. Mr. Brij Mohan Ravi retires by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting of the Company.

Brief particulars of the directors seeking re-appointment are given below:-

Mr. Brij Mohan is non graduate and vast experience in line of garment exports.

All the details relating to financial and commercial transactions where directors may have a potential interest are provided to the Board and the interested directors neither participate in the discussions nor do they voted on such matters.

**9) Means of Communication**

**Financial Results**

All financial results of the Company are forthwith communicated to all stock exchanges after they are approved and taken on record by the Board of Directors of the Company. Further, the results are published in leading English Dailies like Pioneer and in the regional newspapers.

**10) Insider Trading Rules**

In terms of the provisions of SEBI (Prevention of Insider Trading Regulations) 2002, as amended, the Company has formulated a 'Code of Internal Procedure & Conduct' for prevention of insider trading in shares of the Company. The Code lays down guidelines and advises the designated employees on procedures to be followed and disclosures to be made, while dealing in the shares of Rahul Merchandising Limited.

**11) General Shareholders Information**

**Annual General Meeting**

Date and Time	:	29 <sup>th</sup> September, 2012 at 10.30 AM.
Venue	:	No. 18, NRI Complex, Basement, Greater Kailash, New Delhi- 110019.

**Financial Calendar (tentative)**

Financial Year	:	April - March 2011-12
Results for the First Quarter	:	End of July, 2011
Results for the Second Quarter	:	End of October, 2011
Results for the Third Quarter	:	End of January, 2012
Annual Results	:	End of April, 2012

<b>Date of Book Closure</b>	:	September 27, 2012  September 29, 2012 (both days inclusive)
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<b>Dividend on equity shares</b>	:	NIL
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**Share Details:-**

Listed at : BSE & JSE.  
Stock Code : 531887 (Mumbai)  
International Security Identification No : INE149D01011.

**Stock Market Data**

Trading of the shares is being suspended due to some unavoidable circumstances.

**Registrar and Share Transfer Agents:**

**M/s Alankit Assignments Ltd.**

**RTA Division, Alankit House,**

**2E/21, Jhandewalan Extension,**

**NewDelhi – 110055(India)**

**Ph.: 91-11-42541234, 23541234,**

**Fax: 91-11-23552001.**

**e-mail:info@alankit.com**

**Website: [www.alankit.com](http://www.alankit.com)**

***(I) (a) Statement showing Shareholding Pattern***

Name of the Company <b>Rahul Merchandising Limited</b>			
Name of Scrip: <b>Equity Shares</b> , Scrip Code: <b>531887</b> , Class of equity:			
Quarter ended on: <b>30<sup>th</sup> June, 2012</b>			
Partly Paid-up Shares:-	No. of Partly paid –up Shares	As a % of total No. of Partly Paid- up Shares	As a % of total no. of Shares of the Company
Held by promoter/ promoter group	<b>NIL</b>	<b>NIL</b>	<b>NA</b>
Held by public	<b>NIL</b>	<b>NIL</b>	<b>NA</b>
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NA</b>

Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/ promoter group	<b>NIL</b>	<b>NIL</b>	<b>NA</b>
Held by Public	<b>NIL</b>	<b>NIL</b>	<b>NA</b>
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NA</b>
<b>Total paid-up capital of the company, assuming full conversion of warrants and convertible securities</b>	<b>Rs. 35,122,500(Three Crore Fifty One Lakhs Twenty Two Thousand Five Hundred Only)</b>		

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/ (IV)*100
(A)	Shareholding of Promoter and Promoter Group <sup>2</sup>							

<sup>1</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>2</sup> For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

<b>(1)</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	5	899200	891700	25.60%	25.60%	NIL	NIL
(b)	Central Government/ State Government(s)	0	0	0	0	0	NIL	NIL
(c)	Bodies Corporate	3	1447950	1447950	41.23%	41.23%	NIL	NIL
(d)	Financial Institutions/ Banks	0	0	0	0	0	NIL	NIL
(e)	Any Other (specify)	0	0	0	0	0	NIL	NIL
	<b>Sub-Total (A)(1)</b>	<b>8</b>	<b>2347150</b>	<b>2138650</b>	<b>66.83</b>	<b>66.83</b>	<b>NIL</b>	<b>NIL</b>
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	NIL	NIL
(b)	Bodies Corporate	0	0	0	0	0	NIL	NIL
(c)	Institutions	0	0	0	0	0	NIL	NIL
(d)	Any Other (specify)	0	0	0	0	0	NIL	NIL
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>8</b>	<b>2347150</b>	<b>2339650</b>	<b>66.83</b>	<b>66.83</b>	<b>NIL</b>	<b>NIL</b>
<b>(B)</b>	<b>Public shareholding<sup>3</sup></b>						<b>NA</b>	<b>NA</b>
<b>(1)</b>	<b>Institutions</b>						<b>NA</b>	<b>NA</b>
(a)	Mutual Funds/ UTI	1	350	00	0.010	0.010	NIL	NIL
(b)	Financial Institutions/ Banks	0	0	0	0	0	NIL	NIL
(c)	Central Government/ State Government(s)	0	0	0	0	0	NIL	NIL
(d)	Venture Capital	0	0	0	0	0	NIL	NIL

	Funds							
(e)	Insurance Companies	0	0	0	0	0	NIL	NIL
(f)	Foreign Institutional Investors	107	25200	00	0.72	0.72	NIL	NIL
(g)	Foreign Venture Capital Investors	0	0	0	0	0	NIL	NIL
(h)	Any Other (specify)	0	0	0	0	0	NIL	NIL
	<b>Sub-Total (B)(1)</b>	<b>108</b>	<b>25550</b>	<b>00</b>	<b>0.73</b>	<b>0.73</b>	<b>NIL</b>	<b>NIL</b>
<b>(2)</b>	<b>Non-institutions</b>						<b>NA</b>	<b>NA</b>
(a)	Bodies Corporate	16	94600	300	2.69	2.69	NIL	NIL
(b)	Individuals -							
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	1070	426150	3800	12.13	12.13	NIL	NIL
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	15	618800	00	17.62	17.62	NIL	NIL
(c)	Any Other (specify)	0	00	0	0	0	NIL	NIL
	Non Resident Indian							
	i. Clearing House/ Public Trust	0	0	0	0	0	NIL	NIL
	ii. Corporate Bodies- OCB	0	0	0	0	0	NIL	NIL
	iii. Intermediary/other Depository A/C							

		0	0	0	0	0	NIL	NIL
	<b>Sub-Total (B)(2)</b>	<b>1101</b>	<b>1139550</b>	<b>4100</b>	<b>32.45</b>	<b>32.45</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1209</b>	<b>1165100</b>	<b>4100</b>	<b>33.17</b>	<b>33.17</b>	<b>NA</b>	<b>NA</b>
	<b>TOTAL (A)+(B)</b>	<b>1218</b>	<b>3512250</b>	<b>2142750</b>	<b>100</b>	<b>100</b>	<b>NA</b>	<b>NA</b>
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>							
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>NA</b>
(1)	<b>Promoter and promoter group</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>NA</b>
(2)	<b>Public</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>NA</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1218</b>	<b>3512250</b>	<b>2142750</b>	<b>100</b>	<b>100</b>	<b>NIL</b>	<b>NIL</b>

NA – Not applicable





	Engineering Pvt Ltd.										
8.	Rahul Finvest Pvt. Ltd.	562450	16.01								16.01
<b>Total</b>		<b>2347150</b>	<b>66.808</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>66.808</b>

**(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group”**

**(I)(c)(i) Statement showing holding of securities ( including share, warrants, convertible securities) of persons belonging to the category “ Public” and holding more than 1% of the total no. of shares**

Sr . No .	Name of the shareholders	No. of shares held	Shares as a % of total no. {i.e., grand total (A)+(B)+(C) indicated in statement at para (I)(a) above}	Detail of warrants		Detail of convertible shares		Total Shares(including underlying shares assuming full conversion of warrants and convertible securities) as a % diluted share capitals
				No. of warrants held	As a % total no. of warrants of same class	No. of convertible securities held	% w.r.t. total no. of convertible securities of the same class	
1.	KUSHAL CHAND BADER	49600	1.41	NIL	NIL	NIL	NIL	1.41
2.	KEDAR NATH GUPTA	37100	1.06	NIL	NIL	NIL	NIL	1.06
3.	HARISH CHANDRA BADER	49900	1.42	NIL	NIL	NIL	Nil	1.42
4.	DEVENDRA KUMAR	40600	1.15	NIL	NIL	NIL	NIL	1.15

	BADER							
5.	PAVAN KUMAR JAIPURIA	49100	1.40	NIL	NIL	NIL	NIL	1.40
6.	KUSHAL KUMAR LUNAWAT	63100	1.80	NIL	NIL	NIL	NIL	1.80
7.	SUNIT HIRAWAT	147500	4.20	NIL	NIL	NIL	NIL	4.20
<b>Total</b>		<b>436900</b>	<b>12.44</b>					<b>12.44</b>

**I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category “Public” and holding more than 5% of the total number of shares of the company**

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1.	N.A.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>TOTAL</b>		NIL	NIL	NIL	NIL	NIL	NIL	NIL

**(I)(d) Statement showing details of locked-in shares**

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at Para (I)(a) above}
1.	Suresh Mansharamani	667600	19.008
2.	Uma Mansharamani	224100	6.380
3.	Rahul Fin-Vest Private	562450	16.013

	Limited		
4.	Marryl Investment Company Pvt Ltd	595900	16.966
5.	Reliable Engineering Pvt Ltd	289600	8.245
<b>Total</b>		<b>2339650</b>	<b>66.612</b>

**(II)(a) Statement showing details of Depository Receipts (DRs)**

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	N.A.	NIL	NIL	NIL
2.	N.A	NIL	NIL	NIL
<b>TOTAL</b>				<b>NIL</b>

**(II)(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares held by Promoter/Promoter group are in excess of 1% of the total number of shares**

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	N.A.	NIL	NIL	NIL
2.	N.A	NIL	NIL	NIL
<b>TOTAL</b>				<b>NIL</b>

**CERTIFICATION BY CHAIRMAN AND MANAGING DIRECTOR FOR THE FINANCIAL YEAR 2011-12**

To  
The Members  
M/s Rahul Merchandising Limited.

I, Suresh Mansahramani responsible for the finance function certify that

- a) I have reviewed the financial statements and cash flow statement for the year ended .31.03.2012 and to the best of my knowledge and belief :
  - i) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present are true and fair view of the company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of my knowledge and belief, no transactions entered into by the company during the year ended 31.03.2012 are fraudulent, applicable laws and regulations.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the auditor and audit committee and steps have been taken to rectify these deficiencies.
- d)
  - i). There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) Significant change in accounting policies during the year have been disclosed in the notes to the financial statements; and
  - iii) I am not aware of any instance during the year of significant fraud with involvement there in of the management or any employee having a significant role in the company's internal control system over financial reporting.

Date: 02/09/2012

Place: New Delhi

-sd-

**Suresh Mansharamani**

Chairman & Managing Director

**COMPLIANCE WITH CODE OF CONDUCT**

I, Suresh Mansharamani, Managing Director of the Company hereby certify that all the directors and Senior Management Personnel have affirmed compliance of the code of the conduct of the company for the financial year ended March 31, 2012.

Date: 02/09/2012

Place: New Delhi

-sd-

**Suresh Mansharamani**

Chairman & Managing Director

**Practicing Company Secretary's Certificate on Corporate Governance as required under Clause 49 of the Listing Agreement of Rahul Merchandising Limited with Stock Exchanges.**

The Members  
Rahul Merchandising Limited,

We have examined the compliance of conditions of Corporate Governance by Rahul Merchandising Limited, for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month as at March 31, 2012, against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RAKHI RAJVANSHI & ASSOCIATES**  
**Company Secretaries**

-sd-

**RAKHI RAJVANSHI**  
**Company Secretary**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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### **FORWARD – LOOKING STATEMENT**

Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that this assumptions and expectations are accurate or will be realized. The Company's actual results, performances or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or event.

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

#### **BUSINESS REVIEW**

We are engaged in the business of manufacturing and trading of apparels as well as the export of the same. We are also in the process of entering in the export of the consumer product for the retail trading of the same as we weighing the opportunities and threats in the new venture. In the year 2011-2012 the Company has started to generate some revenue through earning commission. In line with the objective term growth, the Company is developing the strategic competency and enhancing its operational efficiencies. Our strategy to strengthen the business, where we have competencies and ability to remain in its core business.

#### **FINANCIAL PERFORMANCE**

<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
Total Income	576,725	445,005
Total Expenditure	721,071	511,467
Profits (Loss) before interest, Depreciation and Tax	(144,346)	(66,462)
Interest and Financial Charges	Nil	Nil
Profits (Loss) before Depreciation and Tax	(144,346)	(66,462)
Depreciation	Nil	Nil
Net Profits (Loss) before Tax	(144,346)	(66,462)
Tax Provision	Nil	Nil
Net Profits (Loss)	(144,346)	(66,462)

#### **OPPORTUNITIES**

Textile manufacturing and trading is emerging as a efficiency ridden sector as the completion is very steep in this sector. The Company is now exploring other opportunities in export like other related consumer product and creating a world class supply chain with adequate expertise and efficiency. By creating such a highly efficient supply chain, the wants to create its own brand of product worldwide and it also wants to elevate the efficient and innovative manufacturers to global level.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate internal control procedures commensurate with the size and nature of the business. The Internal control system is supplemented by extensive internal audit, regular reviews by the management and well documented policies and guidelines to ensure reliability of financial and all other records and to prepare financial statement and other data. Moreover your company continuously upgrades this system in line with the best accounting policies. The Company has independent audit systems to monitor the entire operations and the Audit committee of the Board reviews the findings and

recommendations of the internal auditors. It is to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that transactions are authorised, recorded and reported correctly, to keep constant check on the cost structures and to prevent revenue leakages.

## **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial statement has been prepared in accordance with the requirements of The Companies Act, 1956 and applicable accounting standards issued by the ICAI. The details of the financial performance of the company are appearing in the Balance Sheet, Profit & Loss Accounts and other financial statements forming part of this annual report. For financial highlights please refer heading 'FINANCIAL STATEMENT'.

## **HUMAN RESOURCES DEVELOPMENT:**

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages the potential of its employees. Attracting and retaining the best manpower available by providing a high degree of motivation, training and structured compensation was the main thrust of the Human Resources Department this year.

Your Company believes in trust, transparency & teamwork to improve employee's productivity at all levels.



# COMPLIANCE CERTIFICATE

To,

The Members,

**M/s. RAHUL MERCHANDISING LIMITED,**

**No 18, Basement, NRI Complex,**

**Greater Kailash, Part IV,**

**New Delhi – 110019**

We have examined the registers, records, books and papers of **M/s. Rahul Merchandising Limited** maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31<sup>st</sup> March, 2012. In our opinion and to the best of our information and according to the examination carried out by us and the explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in **Annexure 'A'** to this Certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has not filed any forms and returns with the Registrar of Companies, NCT of Delhi & Haryana, New Delhi during the Financial Year.
3. The Company, being a public limited company, comments are not required, in respect of number of members, deposits etc.
4. The Board of Directors duly met 6 times on 30/04/2011, 15/07/2011, 01/09/2011, 15/10/2011, 30/01/2012 and 31/03/2012 in respect of which proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose which has been kept in loose leaf form.
5. The Company has closed its Register of Members and Register of Share Transfer from 27<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011 (both day inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2011 was held on 30<sup>th</sup> September, 2011 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loans to its Directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contract falling within the purview of section 297 of the Act during the financial year.
10. The company has made necessary entries in the register maintained under section 301 of the Act.

11. As there were no instances falling within the purview of section 314 of the Act, hence the approval from the Board of Directors, Members or Central Government was not required under above section of the Act.
12. The company has not issued any duplicate Shares Certificate during the financial year.
13. The company has:
  - i) not made allotment, transfer or transmission of any securities during the financial year;
  - ii) has not deposited any amount in a separate Bank Account since no dividend was declared during the financial year;
  - iii) not paid/posted any dividend warrants to the members of the company as no dividend was declared during the financial year;
  - iv) no unpaid/ unclaimed dividend, application money due for refund, matured deposit, matured debentures and the interest accrued thereon which have remained unclaimed for a period of seven years with the company or in its separate Bank Account required to be transferred to Investor Education and Protection Fund;
  - v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. The company has duly appointed Mr. Rahul Mansharamani and Mr. Navin Asrani as Additional Directors and both have been duly regularized. Mr. Pardeep Kumar was duly designated as Executive Director of the Company. The resignation of Mr. Gulshan Kumar has been duly accepted by the Board.
15. The company has not appointed any Managing Director/Whole-time Director/ Manager during the financial year.
16. The company has not appointed any Sole- Selling Agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and /or such other Authorities as may be prescribed under the various provisions of the Act, during the financial year.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act, and the Rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back shares during the financial year.
21. The Company has not issued any preference shares or debentures hence the redemption clause is not applicable.
22. That there were no such instances where the company was required to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited or accepted any deposits including any unsecured loan falling within the purview of section 58A of the Act, during the financial year.

24. The amount borrowed by the company from Directors, members, financial institutions, banks and others during the financial year ended on 31<sup>st</sup> March, 2012 is within the provisions of section 293(1)(d) of the Act.
25. The company has not made any loans or Advances or given guarantees or provided Securities to other bodies corporate during the financial year and consequently no entries have been made in the Register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another, Object, Name and Authorised Share Capital of the company during the year under scrutiny.
27. The company has not altered its Articles of Association during the financial year.
28. There was no prosecution and penalty imposed on the company during the financial year ending 31.03.2012.
29. The company has not received any money as security from its employees during the financial year.
30. The Company has not constituted any Provident Fund under section 418 of the Act, hence the provisions of section 418 of the Act, are not applicable to the company.

Place: Gurgaon

for **RAKHI RAJVANSHI & ASSOCIATES.**

-sd-

Date: 01/09/2012

Rakhi Rajvanshi

Practising Company Secretary  
(CPNo.9082)

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**ANNEXURE 'A'**

**Statutory Registers as maintained by the Company**

1. Register of Members u/s 150.
2. Minutes Book of Board meetings u/s 193.
3. Minutes Book of General Meetings u/s 193.
4. Register of Directors u/s 303.
5. Register of Contracts, Firms and Companies in which Directors are interested u/s 301.
6. Register of Directors Shareholding u/s 307.
7. Register of Charge u/s 143.
8. Register of Transfer.

Place: Gurgaon

for **RAKHI RAJVANSHI & ASSOCIATES**

*Date: 01/09/2012*

-sd-

Rakhi Rajvanshi

Practising Company Secretary  
**(CP No.9082)**

## AUDITORS REPORT

To

The Members,

We have audited the attached Balance Sheet of RAHUL MERCHANDISING LIMITED, as at 31<sup>st</sup> March 2012, the Statement of Profit & Loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

01 As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in Paragraphs 4 & 5 of the said order.

02 Further to our comments in the Annexure referred to in above, we report that :

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956.
- e) On the basis of written representations received from the directors and taken on record by the Board of Directors of the Company, none of the director is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of The Companies Act 1956.
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said Accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
  - i. In the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2012and

- ii. In the case of the Statement of Profit & Loss, of the Loss of the Company for the year ended on that date.
- iii. In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

**FOR JAGDISH SAPRA & CO.**  
**Firm Registration No. 001378N**  
**CHARTERED ACCOUNTANTS**

**PLACE: NEW DELHI**  
**DATED :29-05-2012**

-sd-  
**(CA VIPAL KALRA)**  
**PARTNER**  
**Membership No. 084583**

# **RAHUL MERCHANDISING LIMITED**

## **ANNEXURE TO THE AUDITORS' REPORT (Referred to in Paragraph (1) of our Report of even date)**

1. In view of the fact that premises, records, fixed assets and stocks remained sealed by the official liquidator during the year. there is no comment to offer in respect of sub-paragraph (ia), (ib), (ic), (iia), (iib), (iic), (iv), (vii) and (viii) of paragraph (4) of the Companies (Auditor's Report) Order, 2003.
  
- 2a) The company has not granted any loans, secured or unsecured ,during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 as per information and explanations given to us Consequently paras 4(iii)(b), (iii)(c) and (iii)(d) of the order are not applicable to the company.
  
- 2b) i) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 except interest free loans from two directors and four relatives of directors .The maximum amount involved during the year was Rs. 589.05 lakhs- and balance of Rs. 586.40 lakhs was outstanding at the year end.
  - ii) In our opinion the term and conditions of the above loans taken are not prima-facie prejudicial to the interest of the company.
  - iii) As informed to us, there is no stipulation for re-payment of loans. Hence we are unable to offer our comments on the same.
  
3. a) In our opinion, and according to the information and explanations given to us, the transactions that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Companies Act 1956 and aggregating during the year to Rupees five lacs or more in respect of any party.
  
4. The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act 1956 and Rules framed there under.
  
- 5.a) According to the information and explanations given to us and the records of the company examined by us, the provision of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess & Service Tax are not applicable to the company .
  - b) There are no dues in respect of sale tax, wealth tax , service tax custom duty, Excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute other than income tax dues of Rs. 50.30 lacs being contested by the company.
  
6. The company has accumulated losses of more than fifty percent of its networth as at 31 st March 2012. The company has incurred cash losses during the current financial year and in the immediately preceding financial year.

7. According to the records of the Company examined by us and the information and explanations given to us, the company has neither taken loan nor credit facility from any financial institution or bank nor issued any Debentures.
8. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
9. The provisions of special statutes applicable to Chit fund, Nidhi or mutual benefit fund/ Society are not applicable to the company.
10. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the order is not applicable.
11. As informed to us, the company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
12. The Company has not taken any term loan during the year.
13. According to the information and explanations given to us, no funds raised on short-term basis have been used for long-term investments.
14. According to the information and explanations given to us, no preferential allotment of shares has been made by the Company to companies, firms or other parties listed in the Register maintained under section 301 of the companies Act, 1956
15. The company has not issued any debentures. Hence the requirements of clause (xix) of
16. paragraph 4 of the Order are not applicable to the company. The company has not raised any money by way of public issue.
17. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud on or by the company nor have we been informed by the management of any such instance being noticed or reported during the year.

**FOR JAGDISH SAPRA & CO.**  
**Firm Registration No. 001378N**  
**CHARTERED ACCOUNTANTS**

**PLACE: NEW DELHI**  
**DATED:29-05-2012**

-sd-  
**(CA VIPAL KALRA)**  
**PARTNER**  
**Membership No. 084583**



**RAHUL MERCHANDISING LTD**  
**BALANCE SHEET AS AT 31.03.2012**

[Rupees]

	NOTE NO.	As at 31.03.2012	As at 31.03.2011
<b>I</b>			
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1</b>			
<b><u>SHAREHOLDERS' FUNDS</u></b>			
(a) Share capital	2	35,122,500	35122500
(b) Reserves and surplus	3	(10,762,965)	(10,618,619)
		<b>24,359,535</b>	<b>24503881</b>
<b>2</b>			
<b><u>CURRENT LIABILITIES</u></b>			
(a) Short-term borrowings	4	58,640,361	58539311
(b) Trade payables	5	29,783	63255
(c) Other current liabilities	6	120,000	0
		<b>58,790,144</b>	<b>58602566</b>
<b>TOTAL</b>		<b>83149679</b>	<b>83106447</b>
<b>II</b>			
<b><u>ASSETS</u></b>			
<b>1</b>			
<b><u>NON-CURRENT ASSETS</u></b>			
<b>Fixed assets</b>			
Tangible assets	7	227,260	227260
		<b>227,260</b>	<b>227260</b>
<b>2</b>			
<b><u>CURRENT ASSETS</u></b>			
(a) Trade receivables	8	79745216	79745216
(b) Cash and cash equivalents	9	85,266	42033
(c) Short-term loans and advances	10	3,091,937	3091937
		<b>82,922,419</b>	<b>82879186</b>
<b>TOTAL</b>		<b>83,149,679</b>	<b>83106447</b>

**SIGNIFICANT ACCOUNTING POLICIES**  
**NOTES TO ACCOUNTS FORM AN INTEGRAL**  
**PART OF FINANCIAL STATEMENTS**

1

In terms of our report attached  
**For JAGDISH SAPRA & CO**  
Chartered Accountants  
(Firm Registration No. 001378N)

**For & on behalf of the board**

Partner  
Place: New Delhi  
Dated: 29-05-2012

Chairman cum Managing Director

Director

**RAHUL MERCHANDISING LTD**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2012**

[Rupees]

S. N	PARTICULARS	NOTE NO.	Year Ended 31.03.2012	Year Ended 31.03.2011
I	Income from operations	11	568,863	445005
			7,862	-
II	other Income			
III	<b>Total Revenue</b>		<b>576,725</b>	<b>445005</b>
IV	<b><u>EXPENSES:</u></b>			
a	Employees benefits expense	13	245,700	289510
b	Other expenses	14	475,371	221957
	<b>Total expenses</b>		<b>721,071</b>	<b>511467</b>
V	<b>(Loss) for the Year (III-IV)</b>		<b>(144,346)</b>	<b>(66,462)</b>
VI	Earning per equity share:			
a	Basic	15(iii)	(0.04)	(0.02)
b	Diluted	15(iii)	(0.04)	(0.02)

**SIGNIFICANT ACCOUNTING POLICIES**  
**NOTES TO ACCOUNTS FORM AN INTEGRAL**  
**PART OF FINANCIAL STATEMENTS**

1

In terms of our report attached  
**For JAGDISH SAPRA & CO**  
Chartered Accountants  
(Firm Registration No. 001378N)

**For & on behalf of the board**

Partner  
Place: New Delhi  
Dated: 29-05-2012

Chairman cum Managing Director

Director

## RAHUL MERCHANDISING LTD

Rupees

### 2 SHARE CAPITAL:

	AS AT 31st March, 2012	AS AT 31st March, 2011
<b>AUTHORISED:</b>		
80,00,000 Equity Shares of Rs. 10/- each	80000000	80000000
2,00,000 Equity Shares of Rs. 100/- each	20000000	20000000
	<b>100,000,000</b>	<b>100000000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
35,12,250 Equity Shares of Rs. 10/- each fully paid up (including 100000 equity shares of Rs. 10/- each allotted for consideration other than cash).	35122500	35122500
	<b>35,122,500</b>	<b>35122500</b>

The Company has issued one class of Equity Shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

The details of Shareholders holding more than 5% Equity Shares are given below:-

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	% held	No. of shares	% held
SURESH MANSHARAMANI	466600	13.28	466600	13.28
UMA MANSHARAMANI	224100	6.38	224100	6.38
LAJU MANSHARAMANI	201000	5.72	201000	5.72
MARRYL INVESTMENT CO PVT LTD	595900	16.96	595900	16.96
RELIABLE ENGINEERING PVT LTD	289600	8.24	289600	8.24
RAHUL FINVEST PVT LTD	562450	16.01	562450	16.01

The reconciliation of the number of shares outstanding and the amount of share capital at the beginning and at the end of the reporting period is given below:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	Amount	No. of shares	Amount
<b><u>EQUITY SHARES</u></b>				
Number of shares at the beginning	3,512,250	35122500	3512250	35122500
Changes during the year	0	0	0	0
Number of shares at the end	3512250	35122500	3512250	35122500

### 3 RESERVES & SURPLUS:

#### Debit Balance in Statement of Profit and Loss:

As per last Balance Sheet	(10,618,619)	(10,552,157)
Add: Net loss after tax transferred from Statement of Profit & Loss	(144,346)	(66,462)
	<b>(10,762,965)</b>	<b>(10,618,619)</b>

## RAHUL MERCHANDISING LTD

[Rupees]

	AS AT 31st March, 2012	AS AT 31st March, 2011
<b>4</b>		
<b><u>SHORT TERM BORROWINGS:</u></b>		
Loans from related parties-Unsecured	58,640,361	58539311
	<u>58,640,361</u>	<u>58539311</u>
<b>5</b>		
<b><u>TRADE PAYABLES:</u></b>		
Sundry creditors:		
- Micro, Small and Medium Enterprises (Refer Note 15(v))	-	-
- Others	29,783	63255
	<u>29,783</u>	<u>63255</u>
<b>6</b>		
<b><u>OTHER CURRENT LIABILITIES</u></b>		
Other payables:		
Accrued salaries and benefits	120,000	0
	<u>120,000.00</u>	<u>0</u>
<b>8</b>		
<b><u>TRADE RECEIVABLES:</u></b>		
<b>Unsecured, Considered good:</b>		
Over Six months	79,745,216	79745216
	<u>79,745,216</u>	<u>79745216</u>
<b>9</b>		
<b><u>CASH AND CASH EQUIVALENTS :</u></b>		
(a) Balances with Banks:		
In Current accounts	81570	34238
(b) Cash on hand (as certified)	3,696	7796
	<u>85,266</u>	<u>42033</u>
<b>10</b>		
<b><u>SHORT TERM LOANS AND ADVANCES</u></b>		
(Unsecured considered good unless otherwise stated)		
Advances recoverable in cash or in kind for the value to be received		
Income tax paid under appeal	2,919,860	2919860
Advance Income Tax & TDS (Net of Provision)	172,077	172077
	<u>3,091,937</u>	<u>3091937</u>

## RAHUL MERCHANDISING LTD

NOTE NO.	PARTICULARS	YEAR ENDED 31.03.2012	YEAR ENDED 31-03-2011
11	<b><u>INCOME FROM OPERATIONS</u></b>		
	Commision received	<u>568,863</u>	<u>445005</u>
		<u>568,863</u>	<u>445,005</u>
12	<b><u>OTHER INCOME:</u></b>		
	Net gain on foreign currency transaction & translation	<u>7,862</u>	<u>-</u>
		<u>7,862</u>	<u>-</u>
13	<b><u>EMPLOYEE BENEFITS EXPENSE</u></b>		
	Salaries	245,700	286000
	Staff Welfare Expenses	<u>-</u>	<u>3510</u>
		<u>245,700</u>	<u>289,510</u>
14	<b><u>OTHER EXPENSES:</u></b>		
	Net loss on foreign currency transaction & translation	-	4257
	<u>Payment to the auditors:</u>		
	As Auditor	22,472	10000
	Legal & Professional Expenses	127,491	116695
	Membership & Subscription	251,618	39170
	Miscellaneous expenses:	<u>73,790</u>	<u>51,835</u>
		<u>475,371</u>	<u>221,957</u>

**RAHUL MERCHANDISING LTD**

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[Rupees ]

PARTICULARS	GROSS BLOCK					Depreciation/ Amortisation				Net BLOCK	
	As at 1st April, 2011	Additions during the year	Other Adjustments	Deduction/ Retirement	As at 31st March, 2012	As at 1st April, 2011	For the year	Deductions during the year	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
<b>Tangible Assets:</b>											
Plant & Machinery	6598900	0	0	0	6,598,900	6380609	0	0	6380609	218,291	218291
Furniture, Fittings & Office Equipments	1510344	0	0	0	1,510,344	1505908	0	0	1505908	4,436	4436
Data Processing	895325	0	0	0	895,325	890791	0	0	890791	4,534	4534
<b>Total</b>	9004569	0	0	0	9004569	8777308	0	0	8777308	227260	227260
<b>Previous Year</b>	9004569	0	0	0	9004569	8777308	0	0	8777308	227260	



# **RAHUL MERCHANDISING LIMITED**

## **1 SIGNIFICANT ACCOUNTING POLICIES**

### **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- a) The financial statements are prepared under the historical cost convention, in accordance with applicable mandatory accounting standards prescribed under the Companies (Accounting Standards), Rules, 2006 and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non current as per the company's normal operating cycle and the criteria set out in Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current/non current classification of assets and liabilities.

#### ii) **FIXED ASSETS**

All fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes taxes, duties, freight and other identifiable direct cost incurred to bring the assets to their working condition for intended use. Interest on borrowed funds attributable to the qualifying assets upto the period such assets are put to use is included in the cost of fixed assets.

#### iii) **DEPRECIATION**

Depreciation on fixed assets is provided on Written Down Value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 on pro rata basis from the date of put to use. In respect of assets sold, discarded etc. during the year, depreciation is provided up to date of sale/discard. Assets costing up to Rs.5000/- each are depreciated fully in the year of purchase.

#### iv) **REVENUE RECOGNITION**

Sales are shown net of returns and excluding sales tax wherever applicable.

#### v) **INVENTORIES**

Inventories are shown at lower of cost or net realizable value.

#### vi) **INVESTMENTS**

Long-term investments are valued at cost with an appropriate provision for permanent diminution in value.

#### vii) **TAXATION**

Provision for current tax is made after taking into consideration benefits admissible under the Provisions of the Income Tax Act, 1961.

Deferred tax is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one of more subsequent periods. Deferred tax assets are recognized only to the extent there is virtual certainty and convincing evidence that there will be sufficient future taxable income available to realize such assets.



viii) **IMPAIRMENT OF ASSETS**

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment of assets. If any such indication exists, impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of accounts. In case there is any indication that an impairment loss recognized for an asset in prior accounting periods no longer exists or may have decreased, the recoverable value is reassessed and the reversal of impairment loss is recognized as income in the profit & loss account.

ix). **PROVISIONS/CONTINGENT LIABILITIES**

A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and are adjusted to effect the current best estimation.

A contingent Liability is disclosed after a careful evaluation of the facts and legal aspects of the matter involved where the possibility of an outflow of resources embodying the economic benefits is remote.

x). **FOREIGN EXCHANGE TRANSACTIONS**

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction.

Transactions outstanding at the year end are translated at exchange rates prevailing at the year end and the profit/loss so determined is recognized in the profit and loss account

# **RAHUL MERCHANDISING LIMITED**

Registered office: No 18, Basement, NRI Complex, Greater Kailash, Part IV, New Delhi-110019

## **FORM OF PROXY**

Folio no. \_\_\_\_\_

I/We \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/ members of the above named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ fall him \_\_\_\_\_ of \_\_\_\_\_ in the district \_\_\_\_\_ as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday the 29<sup>th</sup> September 2012 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

For Office Use	
Proxy No.	
Date of receipt	
No. of Shares	

Revenue Stamp of  
Rs.1/-

*Note: The proxy form should be deposited at the Registered Office of the Company not less than (48) forty-eight hours before the commencement of the Meeting.*

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# **RAHUL MERCHANDISING LIMITED**

Registered office: No 18, Basement, NRI Complex, Greater Kailash, Part IV, New Delhi-110019

## **ATTENDANCE SLIP**

Name of the attending member \_\_\_\_\_

Folio No. \_\_\_\_\_ No. of Shares \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(If Proxy attends instead of member)

I hereby record my presence at the Annual General Meeting of the Company to be held on Friday, 30<sup>th</sup> day of September, 2011 at Registered Office of the Company at No 18, Basement, NRI Complex, Greater Kailash, Part IV, New Delhi-110019 at 10:30 A.M.

Signature \_\_\_\_\_

Signature of Member/ Proxy

NOTES:

1. Member /Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting.
2. Member/ Proxyholder desiring to attend the meeting should bring his/her copy of Annual Report for reference at the meeting.