

# **RAHUL MERCHANDISING LIMITED**

CIN L74899DL1993PLC052461

**22<sup>ND</sup> ANNUAL REPORT**  
**2014-2015**

## **BOARD OF DIRECTORS**

Pardeep Kumar-Whole Time Director  
Himanshu Chandani-Independent Director  
Snehlata Kaim-Independent Director  
Rajeshwar Bhagat-Independent Director

## **KEY MANAGERIAL PERSON**

Pradeep Kumar-Chief Financial Officer

## **REGISTERED OFFICE**

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

E-mail rahulmerchandising@gmail.com

Website www.rahaulmerchandising.com

## **REGISTRAR AND TRANSFER AGENTS**

Skyline Financial Services Private Limited  
D-153A, First Floor, Okhla Ind. Area  
Phase-1, New Delhi-110020

## **AUDITORS**

M/s. Jagdish Sapra & Co  
Chartered Accountants

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### **Annual General Meeting**

11.00 am, Wednesday, September 30th, 2015  
1508-9, Gali NO-3, Wazir Nagar,  
Kotla Mubarakpur, New Delhi-110003.

Members are requested to bring their copy of the Annual Report to the meeting. Members are also requested to direct all correspondence relating to shares to the Company's Registrar and Transfer Agents, Skyline Financial Services Private Limited, at the address above.

**NOTICE**

**NOTICE** is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of **Rahul Merchandising Limited** (CIN L74899DL1993PLC052461) will be held on Wednesday, September 30, 2015 at 11:00 A.M at 1508-9, Gali No-3, Wazir Nagar, Kotla Mubarakpur, New Delhi-110003 to transact the following Business:

**Ordinary Business**

1. To consider and adopt the audited financial statements of the Company for the year ended 31st March, 2015, together with the Report of the Directors and Auditors' thereon.
2. To appoint a director in place of Mr. Pradeep Kumar (DIN: 02940382), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 (2) and 142 (1) of the Companies Act, 2013 the reappointment of the statutory auditors of company M/s Jagdish Sapra & Co. (Firm registration No: 001378N), Chartered Accountants, be and is hereby ratified by the members of the company for the financial year 2015-2016 at such remuneration as may be determined by the Board of Directors of the Company.”

**Special Business**

4. **Appointment of Whole Time Director:** To appoint Mr. Pradeep Kumar (DIN: 02940382) as a Whole-time Director designated as Executive Director and in this regard to consider and if thought fit, to pass, the following resolution as an SPECIAL RESOLUTION:

**“RESOLVED THAT,** pursuant to the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company, Mr. Pradeep Kumar be and is hereby reappointed as Whole time Director of the company for a period of Five years with effect from 30th March,2015 on such terms and conditions as set out in the Statement annexed to the notice convening this meeting, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said re appointment and/ or remuneration in such manner as may be agreed to by and between the Company and Mr. Pradeep Kumar provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”

5. **Appointment of Independent Director:** To appoint Mr. Rajeshwar Bhagat (DIN: 06892049) as an Independent Director of the Company, in this regard in this regard to consider and if thought fit, to pass, the following resolution as an SPECIAL RESOLUTION:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with schedule IV to the said Act, consent of the Company be and hereby accorded to re-appoint Mr. Rajeshwar Bhagat as an Independent Director of the Company to hold office from 30<sup>th</sup> September, 2015 To 29<sup>th</sup> September, 2020, not liable to retire by rotation.”.

6. **Appointment of Independent Director:** To appoint Ms. Priyanka Rana as an Independent Director of the Company, in this regard in this regard to consider and if thought fit, to pass, the following resolution as a ORDINARY RESOLUTION:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with schedule IV to the said Act, consent of the Company be and hereby accorded to appoint Ms. Priyanka Rana as an Independent Director of the Company to hold office from 30<sup>th</sup> September, 2015 To 29<sup>th</sup> September, 2020, not liable to retire by rotation.”.

By Order of the Board  
**For Rahul Merchandising Limited**

Sd/-

**Snehlata Kaim**

Chairperson

DIN: 06882968

Date: 28th day of August, 2015

Place: New Delhi

## RAHUL MERCHANDISING LIMITED

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### NOTES:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. A member entitled to attend and vote at the annual general meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting, as the copies of the report will not be circulated at the meeting.
6. The Register of Members and Share Transfer Registers of the Company will remain closed from 28<sup>th</sup> September, 2015 to 30<sup>th</sup> September, 2015 (both days inclusive).
7. Explanatory statements pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting under Item No. 4, 5 and 6 is Annexed hereto.
8. Members who hold shares in dematerialized form are requested to bring their Depository ID Number & Client ID Number for easier identification of attendance at the Annual General Meeting.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his request to the Company at least seven days prior to the Meeting so that the required information can be made available at the Meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar ,**Skyline Financial Services Private Limited**, D-153A, 1<sup>st</sup> floor, Okhla Industrial Area, Phase-1, New Delhi-110020.
- 11. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication(s) including Annual Report, Notices, Circulars etc. from the Company electronically.**
12. The details of Directors who are proposed to be reappointed/newly appointed are the part of the notice of Annual General Meeting. There are no inter-se relationships between the Board Members.
13. The cut-off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be 23<sup>rd</sup> day of September, 2015.
14. The Board of Directors of the company has appointed Ms. Nishi Talwar, Practicing Company Secretaries, Delhi as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
15. The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting in terms of notification issued by the Ministry of Corporate Affairs dated 19.03.2015.
16. A separate communication containing all necessary instructions and relevant information is being sent separately.
- 17. Voting through electronic means**
  - i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using

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an electronic voting system from a place other than venue of the AGM) (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 27<sup>th</sup> September, 2015 (9:00 am) and ends on 29<sup>th</sup> September, 2015 (5:00 pm). During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
    - (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select “EVEN” of “Rahul Merchandising Limited”.
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
    - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [nishitalwarassociates@hotmail.com](mailto:nishitalwarassociates@hotmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - B. In case a Member receives physical copy of the Notice of Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
    - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the Annual General Meeting :

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
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    - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

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- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23<sup>rd</sup> September, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [admin@skylinerta.com](mailto:admin@skylinerta.com).  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Ms. Nishi Talwar, Practicing Company Secretary (Membership No. 24056) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.rahulmerchandising.com](http://www.rahulmerchandising.com) and on the website of NSDL within three days after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

### ANNEXURE TO THE NOTICE

#### **NOTICE OF INTEREST**

None of the Executive Directors/Key Managerial Personnel of the Company / their relatives are in any way concerned or interested in the said resolution. All independent directors are interested in their respective resolution(s).

#### **Additional Information required to be furnished under clause 49 of the Listing Agreement for Directors seeking appointment/reappointment**

Name	Mr. Pardeep Kumar
Age	44 year
Qualification	Commerce Graduate
Expertise	Secretarial work
Other Directorship	1. RELIABLE ENGINEERING PRIVATE LIMITED 2. TARUN CREATIONS PRIVATE LIMITED 3. RAHUL FIN-VEST PRIVATE LIMITED 4. MARRYL INVESTMENT COMPANY PRIVATE LIMITED 5. HERETAGGE DESIGNS PRIVATE LIMITED

Name	Mr. Rajeshwar Bhagat
Age	38 years
Qualification	Commerce Graduate
Expertise	Administration & Secretarial work
Other Directorship	Nil

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Name	Ms. Priyanka Rana
Age	21 years
Qualification	Commerce Graduate
Expertise	Accounts & Legal affairs
Other Directorship	Nil

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

#### Item no.4:

##### Appointment of Whole Time Director

Mr. Pradeep Kumar was appointed as Whole Time Director of the company on 30th March, 2015.

The duties of the Whole time Director shall be discharged subject to the superintendence, control and direction of the Board and he shall perform on behalf of the company in the ordinary course of business all such acts, deeds, and things, which in the ordinary course of business, he may consider necessary or proper or in the interest of the company.

##### Terms & Conditions

- 1) **Designation:** Whole time Director
- 2) **Term:** 5 years with effect from 30.03.2015
- 3) **Salary:** No salary has been paid to him as on date. However the Board of Directors has the liberty to fix a minimum remuneration and other perquisites pursuant to the provisions of section 196, 197, 203 and Schedule V of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company.

Except Mr. Pardeep Kumar, None of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

#### Item no.5:

##### Appointment of Independent Director

In terms of Section 149 (10), (11), (13) and Section 152 (6), (7) of the Companies Act, 2013 read with schedule IV of the said Act, an Independent Director shall hold office for not more than two consecutive terms of five years and the tenure of an independent Director on the date of commencement of this Act shall not be counted as a term under above mentioned sub sections. Furthermore the provisions relation to retirement by rotation shall not applicable to Independent Directors.

So to comply with relevant provision of Companies Act, 2013, all Independent Directors needs to be reappointed on non rotational basis and upto five year at a time.

In the opinion of the Board, Independent Directors of the Company fulfill the conditions for their appointment as an Independent Director as specified in the Act and the Listing Agreement. The Board also opined that they all possess appropriate skill, experience and Knowledge as required to occupy the position of an Independent Director.

The Board has also received declaration from the Independent Directors that he meets the Criteria of Independence as prescribed under section 149(6) read with schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Board has also received declaration from the Independent Directors that he meets the Criteria of Independence as prescribed under Section 149(6) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Board recommends the re-appointment of Independent Director Mr. Rajeshwar Bhagat from 30<sup>th</sup> September, 2015 to 29<sup>th</sup> September, 2020.

#### Item no. 6

##### Appointment of Independent Director

In terms of Section 149 (10), (11), (13) and Section 152 (6), (7) of the Companies Act, 2013 read with schedule IV of the said Act, an Independent Director shall hold office for not more than two consecutive terms of five years and the tenure of an independent Director on the date of commencement of this Act shall not be counted as a term under above mentioned sub sections. Furthermore the provisions relation to retirement by rotation shall not applicable to Independent Directors.

So to comply with relevant provision of Companies Act, 2013, all Independent Directors needs to be reappointed on non rotational basis and upto five year at a time.

In the opinion of the Board, Independent Directors of the Company fulfill the conditions for their appointment as an Independent Director as specified in the Act and the Listing Agreement. The Board also opined that they all possess appropriate skill, experience and Knowledge as required to occupy the position of an Independent Director.

The Board has also received declaration from the Independent Directors that he meets the Criteria of Independence as prescribed under section 149(6) read with schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Board has also received declaration from the Independent Directors that he meets the Criteria of Independence as prescribed under Section 149(6) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Board recommends the re-appointment of Independent Director Ms. Priyanka Rana from 30<sup>th</sup> September, 2015 to 29<sup>th</sup> September, 2020.

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Annual Report together with the Audited Statement of Accounts of **Rahul Merchandising Limited** for the year ended 31st March, 2015.

**1. SUMMARISED FINANCIAL HIGHLIGHTS**

In Lacs

<b>PARTICULARS</b>	<b>2014-15</b>	<b>2013-14</b>
Total Income	0.00	34.75
Total Expenditure	2.22	33.97
Profit/(Loss) before interest, Depreciation and Tax	(2.22)	0.77
Interest and Financial Charges	0.00	0.00
Profit/(Loss) before Depreciation and Tax	(2.22)	0.77
Depreciation	0.00	0.00
Net Profits/(Loss) before Tax	(2.22)	0.77
Tax Provision	0.00	0.00
<b>Net Profits/(Loss)</b>	<b>(2.22)</b>	<b>0.77</b>

**2. Management Discussion and Analysis Report**

As required by Clause 49 of the Listing Agreement with Stock Exchange, a detailed Management Discussion and Analysis Report is presented in a separate section forming part of the annual report.

**3. DIVIDEND**

Due to accumulated losses of the previous years, your Directors are unable to recommend any dividend for the year under review.

**4. PUBLIC DEPOSIT**

Your Company has not accepted any public deposits from the public or the Members during the financial year and no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet

**5. SHARE CAPITAL**

The paid up Equity Share Capital as on March 31, 2015 was Rs.3.51 crores. During the year under review the company has not issued any shares or any convertible instruments.

**6. CORPORATE SOCIAL RESPONSIBILITY**

The Company has not formulated a Corporate Social Responsibility Committee due to non applicability of the relevant provisions to the Company.

**7. RISK MANAGEMENT POLICY**

As per the requirement of Section 134(3)(n) of the Companies Act, 2013 the Board of Director has approved and Adopt a Risk Management Policy.

**8. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. Even through this non-production period the Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.



**9. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of company.

**10. DIRECTORS & COMMITTEES**

At the previous Annual General Meeting of the company held on 13th September, 2014 the company had appointed the existing Independent Directors Mr. Himanshu Chandani (DIN 06735022) and Ms. Snehlata Kaim (DIN: 06882968) as independent directors under the companies Act, 2013 for 5 consecutive years for a term 13<sup>th</sup> September, 2014 to 12<sup>th</sup> of September, 2019, not liable to retire by rotation.

All independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of listing agreement.

In accordance with the provisions of Companies Act, 2013, Mr. Pardeep Kumar (DIN: 02940382), Executive Director retires by rotation and being eligible offers himself for re-appointment.

In accordance with the provisions of the Companies Act, 2013, Mr. Pardeep Kumar (DIN: 02940382), Board has re-appointed him as Whole Time Director of the Company for term of five year with effect from 30<sup>th</sup> day of March, 2015, on term and condition set out in the agreement with him and subject to approval of Members.

During the Year Mr. Suresh Mansharamani, Director of the Company resigned from the Board of the Company. The Board expresses its gratitude for their valuable contribution.

**11.1 BOARD EVALUATION**

Pursuant to the provisions of companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee.

**11.2 REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**11.3 MEETINGS**

During the year Five Board Meetings and one independent directors’ meeting was held. The Details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

**11.4 AUDIT COMMITTEE**

The company is having an audit committee comprising of the following directors:

<b>Name</b>	<b>Status</b>	<b>Category</b>
Ms. Snehlata Kaim	Chairperson	Independent Director
Mr. Pardeep Kumar	Member	Executive Director
Mr. Himanshu Chandani	Member	Independent Director
Mr. Amarendra Kumar Singh*	Member	Independent Director
Mr. Suresh Mansharamani**	Member	Non-Executive Director

\*Mr. Amarendra Kumar Singh has resigned w.e.f. May 27, 2014

\*\*Mr. Suresh Mansharamani has resigned w.e.f. November 6, 2014

**11.5 NOMINATION AND REMUNERATION COMMITTEE**

The company is having a Nomination and Remuneration Committee comprising of the following directors:

Name	Status	Category
Mr. Himanshu Chandani	Chairman	Independent Director
Ms. Snehalata Kaim	Member	Independent Director
Mr. Pardeep Kumar	Member	Executive Director

**12. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**13. RELATED PARTY TRANSACTIONS**

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. There were no material related party transactions in terms of clause 49 of the listing agreement. All material related party transactions, if any, that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval as per the policy. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

**14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**15. AUDITORS**

**15.1 STATUTORY AUDITORS**

M/s Jagdish Sapra & Co (Firm Registration No. 001378N) ,Chartered Accountants have been appointed as statutory auditors of the company at the last Annual General Meeting held on 13.09.2014 upto the conclusion of the next Annual General Meeting subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

**15.2 SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed **Anuj Gupta** (CP No.: 13025, ACS: 31025),Practicing Company Secretaries to undertake the secretarial audit of the company. The Secretarial

Audit Report is annexed herewith as 'Annexure A'.

**15.3 INTERNAL AUDITORS**

Mr. Deepanshu Agarwal, performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

**16. CORPORATE GOVERNANCE**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Secretarial Auditor confirming compliance forms an integral part of this Report.

**17. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In view of the nature of activities which are being carried on by the company, the particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, regarding Conservation of Energy and Technology Absorption are not applicable to the Company.

**18. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure B".

**19. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

The company has One Executive Director and due to financial constraints being faced by the company they have forgone remuneration. Further, no sitting fee has been paid to any director during the year.

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:

- a) Employed throughout the year Nil
- b) Employed for part of the year Nil

The remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the company.

**20. LOANS, GUARANTEES OR INVESTMENT**

The company has not given any Loans and Guarantees in terms of provisions of Section 186 of the Companies Act, 2013.

**21. ACKNOWLEDGEMENTS**

The company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Central and State Governments, Bankers and others associated with the Company. Your Directors wish to thank the banks, shareholders and business associates for their continued support and cooperation.

We look forward to receiving the continued patronage from all quarters to become a better and stronger Company.

**23. CAUTIONARY STATEMENT**

The statements contained in the Board's Report contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations.

Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

By Order of the Board of Directors  
**For Rahul Merchandising Limited**

Sd/-

**Snehlata Kaim**  
Chairperson  
DIN: 06882968

Date: 08th August, 2015  
Place: New Delhi

**Annexure 1**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Rahul Merchandising Limited**  
No. 18, Basement, NRI Complex,  
Greater Kailash, Part-IV,  
Delhi-110019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rahul Merchandising Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Rahul Merchandising Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Rahul Merchandising Limited** ("the Company") for the financial year ended on **31st March, 2015** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Environment (Protection) Act, 1986
- (vii) The EPF & Misc. Provisions Act, 1952;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, yet to be approved by the Central Government;.
- (ii) The Listing Agreements entered into by the Company with **B S E Limited and Jaipur stock Exchange Limited**;

## RAHUL MERCHANDISING LIMITED

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### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Anuj Gupta & Associates.**

Company Secretaries

Sd/-

CS Anuj Gupta

ACS No.: 31025

C P No.:13025

Place: Delhi

Date: 8/08/2015

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

**Annexure A**

To,  
The Members,  
**Rahul Merchandising Limited**  
No. 18, Basement, NRI Complex,  
Greater Kailash, Part-IV,  
Delhi-110019

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Anuj Gupta & Associates.**

Company Secretaries

Sd/-

CS Anuj Gupta

ACS No.: 31025

C P No.:13025

Place: Delhi  
Date: 8/08/2015

# RAHUL MERCHANDISING LIMITED

## Annexure B

### Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2015 of **RAHUL MERCHANDISING LIMITED** [Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L74899DL1993PLC052461
Registration Date	09/03/1993
Name of the Company	Rahul Merchandising Limited
Category / Sub-Category of the Company	Company having share capital/Indian Non-Government Company
Address of the Registered Office and contact details	No. 18 Basement, NRI Complex Greater Kailash, Part IV, New Delhi-110002 Ph no. : 011-40562851
Whether listed company	Yes 1. BSE Limited 2. Jaipur Stock Exchange Limited
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Skyline Financial Services Private Limited D-153, 1 <sup>st</sup> Floor, Okhla Ind. Area, Phase-1, New Delhi-110020 Tel No. : 011-26812682/3

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

Sl No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Trading of Fabrics, Textile	17223	100
2.			
3.			

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and Address of the company	CIN/GLN	Holding / Subsidiary Associate	% of shares Held	Applicable Section
1.			None		
2.			None		

RAHUL MERCHANDISING LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total	Demat Shares	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual / HUF	724200	Nil	724200	20.61	724200	Nil	724200	20.61	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	289600	Nil	289600	8.25	289600	Nil	289600	8.25	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other...	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (1) :-</b>	1013800	Nil	1013800	28.26	1013800	Nil	1013800	28.26	Nil
<b>2) Foreign</b>									
a) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2) :-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total shareholding of Promoter</b>									
<b>(A) = (A)(1)+(A)(2)</b>	1013800	Nil	1013800	28.26	1013800	Nil	1013800	28.26	Nil
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds	Nil	300	300	0.01	Nil	300	300	0.01	Nil
b) Banks / FI	400	Nil	400	0.01	400	Nil	400	0.01	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



**RAHUL MERCHANDISING LIMITED**

d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1) :-</b>	400	300	700	0.02	400	300	700	0.02	Nil
<b>2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1178248	17300	1195548	34.04	1178248	17300	1195548	34.04	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individuals shareholders holding nominal share capital upto Rs.1 lakh	33002	403100	436102	12.42	35602	400500	436102	12.42	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	145000	679900	824900	23.48	145000	679900	824900	23.48	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Custodians / Clearing member	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
NRIs	Nil	11100	11100	0.32	Nil	11100	11100	0.32	Nil
Hindu Undivided Family	30100	Nil	30100	0.86	30100	Nil	30100	0.86	Nil
<b>Sub-total(B)(2) :-</b>	1386350	1111400	2497750	71.12	1388950	1108800	2497750	71.12	Nil
<b>Total Public Shareholding</b>									
<b>(B)=(B)(1)+(B)(2)</b>	2400550	1111700	3512250	100.00	2403150	1109100	3512250	100.00	Nil
<b>C. Shares held by Custodian</b>									
<b>for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	2400550	1109100	3512250	100.00	2403150	1109100	3512250	100.00	Nil

RAHUL MERCHANDISING LIMITED

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share Holding During the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ emcumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ emcumbered to total shares	
1	Suresh Mansharanmani	492600	14.03	Nil	492600	14.03	Nil	Nil
2	Relaible Engineering Pvt. Ltd	289600	8.24	Nil	289600	8.24	Nil	Nil
3	Uma Manasharamani	224100	6.38	Nil	224100	6.38	Nil	Nil
4	Beena Jotwani	2500	0.07	Nil	2500	0.07	Nil	Nil
5	Veena Balani	2500	0.07	Nil	2500	0.07	Nil	Nil
6	Anup Kumar Gajwani	2500	0.07	Nil	2500	0.07	Nil	Nil
	<b>Total</b>	1013800	28.86	Nil	1013800	28.86	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No changes during the year			
	Data wise Increase / Decrease in Promoters Share holding during the Year specifyingg the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat / equity etc.)	No changes during the year			
	At the end of the year	No changes during the year			

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Carnation Commodities P Ltd	633350	18.03	633350	18.03
2.	Dev Prashad Sharma	00	0.00	175300	4.99
3.	Scriptech Wealth Management Services Private Limited	175000	4.98	175000	4.98
4.	Vidyawati Devi	00	0.00	174700	4.97
5.	Sunit Hirawat	147500	4.20	147500	4.20

## RAHUL MERCHANDISING LIMITED

6.	Hemant Dembla	85000	2.42	85000	2.42
7.	Kushal Kumar Lunawat	63100	1.80	63100	1.80
8.	Meghna Dembla	60000	1.71	60000	1.71
9.	Harish Chandra Bader	49900	1.42	49900	1.42
10.	Kushal Chand Bader	49600	1.41	49600	1.41
11	Nature Info Soft P Ltd	175300	4.99	00	0.00
12	Utkarsh Printing Press P Ltd	174700	4.97	00	0.00

### (v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Not Applicable			
	Data wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat / equity etc.)	Not Applicable			
	At the end of the year	Not Applicable			

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	59733361	Nil	59733361
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	Nil	59733361	Nil	59733361
<b>Change in Indebtedness during the financial year</b>				
• Addition		4800		4800
• Reduction				
<b>Net Change</b>	Nil	4800	Nil	4800
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	4800	Nil	4800
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	Nil	59728561	Nil	59728561

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

RAHUL MERCHANDISING LIMITED

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

Sl. No.	Particulars of Remuneration	Name of the MD/ WTD/Manger		Total Amount	
1.	Gross salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3) Income- tax Act,1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others ,specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total(A)	-	-	-	-
	Ceiling as per the Act	-	-	-	-

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount	
1.	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-
	Total(1)	-	-	-	-
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-
	Total(2)	-	-	-	-
	Total(B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Over all Ceiling as per the Act	-	-	-	-

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	Nil	Nil	Nil	Nil
	Stock Option	Nil	Nil	Nil	Nil
	Sweat Equity	Nil	Nil	Nil	Nil
	Commission - as % of profit -others, specify...	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			None		
Punishment					
Compounding					

**CORPORATE GOVERNANCE**  
**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company believes that Corporate Governance is a set of processes, customs, policies, rules, regulation and laws for ensuring transparency, professionalism and accountability in its dealings with its customers, principal, employees, shareholders and with every individual who comes in contact with the Company. The Company's philosophy on Corporate Governance is bounded upon a rich legacy of fair ethical governance practices which has been in practice since the beginning. In fact the company has long been a staunch supporter of this code even before it became mandatory. Integrity, transparency, accountability and compliance with laws which are columns of good governance have always been the hallmark of company. The Company is in full compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement entered into with the Stock Exchanges and in this regard, submits a report on the matters mentioned in the said clause and also the practices followed by the Company as stated below:

**BOARD COMPOSITION**

**Size and Composition of Board of Directors**

**Board of Directors**

- i. The Company has 3 Directors of which 1 is an Executive Director and 2 are Non-Executive/Independent Directors. The composition of the Board is in conformity with clause 49 of the listing Agreement entered into with the stock Exchanges.
- ii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanship /Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of Private Limited Companies, section 25 companies, and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

Name of the Director	Category	Attendance Particulars		No. of Directorship and other committee Membership/Chairmanship			No. of shares held in the Company as on 31.03.2015
		Board Meeting	Last AGM	Directorship	Committee Membership	Chairmanship	
Mr. Pardeep Kumar	Whole Time Director	5	Yes	6	3	Nil	Nil
Mr. Himanshu Chandani	Independent Director	4	Yes	Nil	2	1	Nil
Ms. Snehlata kaim	Independent Director	4	Yes	Nil	1	2	Nil
Mr. Amarendra Kumar Singh*	Independent Director	1	Yes	Nil	2	Nil	Nil
Mr. Suresh Mansharamani**	Non- Executive Director	2	Yes	5	2	Nil	492600

\*Mr. Amarendra Kumar Singh has resigned w.e.f. May 27, 2014

\*\*Mr. Suresh Mansharamani has resigned w.e.f. November 6, 2014

None of the present directors are "Relative" of each other as defined in Section 2 (77) of Companies Act, 2013 and Rule 4 of the companies (Specification of definitions details) Rule 2014

Five Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

- 27<sup>th</sup> May, 2014

- 07<sup>th</sup> August, 2014

- 06<sup>th</sup> November, 2014

- 11<sup>th</sup> February, 2015

- 30<sup>th</sup> March, 2015

During the year, information as mentioned in Annexure X to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

## RAHUL MERCHANDISING LIMITED

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The company issued formal letters of appointment to independent directors in the manner as provided in the Companies Act, 2013.

The company has formulated a policy to familiarize the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

### **Code of Conduct for Board members and Senior Management**

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. Additionally all independent directors of the company shall be bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules there under.

All the Board members and Senior Management personnel have affirmed compliance with the code of conduct.

The Code of Conduct is available on the website of the company.

### **BOARD COMMITTEES**

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has four committees i.e Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee. All the decisions pertaining to the constitution of the Committees, appointment of members, and fixing of terms of reference for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

#### **AUDIT COMMITTEE**

The audit committee was reconstituted in accordance with the provisions of Companies Act, 2013 and clause 49 of listing agreement by the Company. The major tasks performed by the audit committee may be grouped under the following heads:

Statutory audit, internal audit, reporting and other aspects

- i. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to the financial information.
- ii. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and ensuring timely submission to statutory authorities.
- iii. Reviewing the Management Discussion & Analysis of financial and operational performance.
- iv. Reviewing with the management, the quarterly financial statements and annual financial statements and auditor's report thereon before submission to the board for approval.
- v. Review the adequacy and effectiveness of the company's system and internal control.
- vi. Evaluation of internal financial controls and risk management systems.
- vii. To review the functioning of the Whistle Blower mechanism.

#### **Audit & other duties**

- i. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ii. Discussion with internal auditors of any significant findings and follow up there on.
- iii. Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and internal Auditors considering their independence and effectiveness and their replacement and removal.
- iv. To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
- v. To grant approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.

Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2014-15 are given below:

## RAHUL MERCHANDISING LIMITED

Name	Status	Category	No of Meetings Attended during the year 2014-15
Ms. Snehlata Kaim	Chairperson	Independent Director	4
Mr. Pardeep Kumar	Member	Executive Director	4
Mr. Himanshu Chandani	Member	Independent Director	4
Mr. Amarendra Kumar Singh*	Member	Independent Director	1
Mr. Suresh Mansharamani**	Member	Non executive Director	3

\*Mr. Amarendra Kumar Singh has resigned w.e.f. May 27, 2014

\*\*Mr. Suresh Mansharamani has resigned w.e.f. November 6, 2014

Four Audit Committee meetings were held during the year and the gap between two meetings never exceeded four months. The dates on which such meetings were held are as follows:

- 27th May, 2014 - 07th August, 2014 - 06th November, 2014 - 11th February, 2015

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was reconstituted in accordance with the provisions of Companies Act, 2013 and clause 49 of listing agreement by the Company.

The terms of reference of the committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

Although no remuneration is paid to any director at present the company retains the option to do so in future. As and when it is done it shall be revealed in the report.

The committee meetings were held on 07.08.2014 and 11.02.2015 and both of the committee meetings were chaired during the year by Mr. Himanshu Chandani who has been appointed as chairman. The details of the composition of the Remuneration Committee are as under:

Name	Status	Category	No. of meeting during the year 2014-15	
			Held	Attended
Mr. Himanshu Chandani	Chairman	Non Executive Independent Director	2	2
Ms. Snehlata Kaim	Member	Non Executive Independent Director	2	2
Mr. Pardeep Kumar	Member	Executive Director	2	2

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was reconstituted in accordance with the provisions of Companies Act, 2013 and clause 49 of listing agreement by the Company.

The Committee performs following functions :

1. Transfer/Transmission of shares
  1. Issue of Duplicate Share Certificates.
  2. Review of Share dematerialization and rematerialization.



## RAHUL MERCHANDISING LIMITED

3. Monitoring the expeditious Redressal of Investor Grievances.
4. Monitoring the performance of company's Registrar & Transfer Agent.
5. All other matters related to the shares.

During 2014-15 the committee was chaired by Ms. Snehlata Kaim . At present the committee comprises of two Non-Executive Directors and one Executive director. Two meetings were held as under:

07th August, 2014                      06th November, 2014

The details of composition of the Committee are as under:

Name	Status	Category	No. of meeting during the year 2014-15	
			Held	Attended
Ms. Snehlata Kaim	Chairperson	Non-Executive	2	2
Mr. Himanshu Chandani	Member	Non-Executive	2	2
Mr. Pardeep Kumar	Member	Executive	2	2
Mr. Amarendra Kumar Singh*	Member	Independent Director	2	NII
Mr. Suresh Mansharamani**	Member	Non executive Director	2	1

\*Mr. Amarendra Kumar Singh has resigned w.e.f. May 27, 2014

\*\*Mr. Suresh Mansharamani has resigned w.e.f. November 6, 2014

Mr. Pardeep Kumar, was the Director cum Compliance Officer during the year under review. He performed the functions of monitoring the complaints received vis-à-vis share transfer and other related processes and reported them to the Board. He also carried out his responsibility as liaison officer with the investors and regulatory authorities, such as SEBI, Stock Exchanges, Registrar of Companies in respect of implementing laws, rules and regulations, and directives of such authorities concerning investor service and complaints.

No complaints were received from the shareholders during the year.

### INDEPENDENT DIRECTORS' MEETING

During the year under review , the Independent Directors met on March 30, 2015, inter alia to discuss:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

#### 1. Criteria of selection of Non Executive Directors

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
  - ii. Personal, Professional or business standing;
  - iii. Diversity of the Board.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

### **2. Remuneration**

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board / Committee meetings and commission as detailed hereunder:

- i. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee meeting attended by him/her at his/her discretion of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- iii. The payment of such commission would be at the discretion of board only and shall not exceed 1% of the net profit of the Company;
- iv. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

### **3. Managing Director & Whole Time Director - Criteria for selection / appointment**

For the purpose of selection of the Managing Director or Whole Time Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the Managing Director or Whole Time Director

- i. At the time of appointment or re-appointment, the Managing Director or Whole Time Director may be paid such remuneration as may be mutually agreed between the Company (which includes the nomination & Remuneration Committee and the Board of Directors) and the Managing Director or Whole Time Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the Managing Director or Whole Time Director may be broadly divided into fixed and variable components. The fixed component shall comprise salary, allowances, perquisites, amenities and retire benefits. The variable component shall comprise performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the Committee shall ensure / consider the following:
  - a. the relationship of remuneration and performance benchmarks is clear;
  - b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - c. responsibility required to be shouldered by the Managing Director or Whole Time Director, the industry benchmarks and the current trends.

### **REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES**

- I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and senior officers just below the board level) the Committee shall ensure / consider the following:
  - i. the relationship of remuneration and performance benchmark is clear;
  - ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

- iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.

Al. The Managing Director or Whole Time Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors and thereafter shall recommend the annual increment and performance incentive to the Committee for its review and approval.

### **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

### **RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

### **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

### **Disclosures**

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, 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.

In accordance with requirement of Companies Act as well as listing agreement a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. A link to such policy is also provided in the website of the company.

Compliances , rules & regulations as laid down by various statutory authorities has always been observed by the company since such change over both in letter as well as in spirit.

The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

### **Compliance with Accounting Standards**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

### **GENERAL BODY MEETING**

The details of last three Annual General Meeting of the Company held are given below :

## RAHUL MERCHANDISING LIMITED

<b>Financial Year</b>	<b>Location of the Meeting</b>	<b>Date</b>	<b>Time</b>
2013-14	No. 18, basement NRI Complex, Greater Kailash, Part-VI, Delhi-110019	13/09/2014	03.30 P.M.
2012-13	No. 18, basement NRI Complex, Greater Kailash, Part-VI, Delhi-110019	26/09/2013	10:00 A.M.
2011-12	No. 18, basement NRI Complex, Greater Kailash, Part-VI, Delhi-110019	29/09/2012	10:30 A.M.

Two Ordinary resolutions were passed during the last Annual General Meetings. No resolution was passed through postal ballot last year.

### MEANS OF COMMUNICATION

The quarterly and half yearly un-audited and annual results were published in a National level English newspaper(s) as well as regional language newspaper circulating in the territory of Delhi. The results are also displayed on the Company's website ([www.rahulmerchandising.com](http://www.rahulmerchandising.com)).

### SHAREHOLDER INFORMATION

#### Registered Office

No. 18, basement NRI Complex, Greater Kailash,  
Part-IV, Delhi-110019  
E-mail :[rahulmerchandising@gmail.com](mailto:rahulmerchandising@gmail.com)  
Website :[www.rahulmerchandising.com](http://www.rahulmerchandising.com)

#### Registrar and Transfer Agent

Shareholders may contact the Company's Registrar and Share Transfer Agent (for both physical and demat segments) at the following address for any assistance regarding dematerialization of shares, share transfers, transmission, change of address, non-receipt of annual report and any other query relating to the shares of the Company:

#### Skyline Financial Services Private Limited

D-153, 1<sup>st</sup> Floor, Okhla Ind. Area, Phase-1, New Delhi-110020  
Telephone No: 011-26812682/3  
Fax: 011-30857562  
E Mail: [admin@skylinerta.com](mailto:admin@skylinerta.com)

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

## **Compliances**

### ***Mandatory Requirements***

The Company has fully complied with the applicable mandatory requirements of clause 49 of the listing agreement.

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by **M/S Parveen Rastogi & Co.** (CP No.:2883, FCS: 4764) Company Secretaries with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to Bombay Stock Exchange Limited and Jaipur Stock Exchange Limited.

A secretarial audit report for the year 2014-15 carried out by **M/S Anuj Gupta & Associates**, (CP No.:13025, FCS: 31025), Company Secretaries is annexed to the Directors Report and forms a part of the Annual Report.

### ***Adoption of non-mandatory requirements under Listing Agreement***

#### ***Shareholders Rights :***

The quarterly and half-yearly financial results are published in widely circulated dailies and also displayed on Company's website [www.rahulmerchandising.com](http://www.rahulmerchandising.com) . Hence, these are not individually sent to the Shareholders.

#### ***Audit Qualification :***

The Qualifications given in the Auditors' Report on Financial Accounts are adequately dealt with in Directors' Report.

#### ***Separate posts of Chairman and CEO:***

The company does not have a CEO and therefore there are no separate posts.

#### ***Reporting of Internal Auditor:***

The internal auditor reports to audit committee.

### **General Shareholders Information**

#### **Annual General Meeting**

Date : 30th September, 2015

Day : Wednesday

Time : 11.00 A.M

Venue : 1508-9, Gali No-3, Wazir Nagar, Kotla Mubarakpur, New Delhi-110003

### **FINANCIAL CALENDAR**

- \* Financial Year : 1st April 2014 to 31st March 2015
- \* For the year ended 31st March, 2015, results were announced on:
  - First Quarter : on or before 15<sup>th</sup> August,2015
  - Second Quarter : on or before 15<sup>th</sup> November, 2015
  - Third Quarter : on or before 15<sup>th</sup> February, 2016
  - Audited Results : Mid/Last week of May, 2015

### **Book Closure**

The dates of book closure are from 28th September, 2015 to 30th September, 2015 (inclusive of both days).

### **LISTING ON STOCK EXCHANGE**

1. Bombay Stock Exchange Limited
2. Jaipur Stock Exchange Limited(Exited by SEBI on 27-01-2015)

### **SHARE TRANSFER SYSTEM**

The Company's shares are in demat mode. The shares received for transfer in physical mode are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respect.

## RAHUL MERCHANDISING LIMITED

### MARKET PRICE DATA:

Shares of the company are traded on BSE Ltd.High low prices during the year were as:

Low Price: Rs.6.47 on 19/11/2014

High Price : Rs.8.50 on 19/02/2015

Shareholding pattern as on 31st March, 2015

Category Code	Category	Total Shares	% of Share Capital
<b>A</b>	<b>Shareholding of Promoter &amp; Promoter Group</b>		
	1. Indian Promoters	1013800	28.86
	2. Foreign Promoters	0.00	0.00
	Sub – Total	1013800	28.86
<b>B</b>	<b>Public Shareholding</b>		
	<b>1. Institutions</b>		
	a. Mutual Funds / UTI	300	0.01
	b. Financial Institutions / Banks	400	0.01
	c. Central Govt. / State Govt.	0.00	0.00
	d. F.I.I	0.00	0.00
	<b>2 Non Institutions</b>		
	a. Bodies Corporate	1195548	34.04
	b. Individual Holding		
	i. Nominal Share Capital up to Rs 1 Lakh	436102	12.42
	ii. Nominal Share Capital in excess of Rs. 1 Lakh	824900	23.48
	Non Resident Individual	11100	0.32
	Others(Hindu Undivided Family)	30100	0.86
	<b>Sub Total</b>	<b>2497750</b>	<b>71.12</b>
	<b>Grand Total</b>	<b>3512250</b>	<b>100</b>

Physical/NSDL/CDSL/Summary Report as on 31st March, 2015

PARTICULARS	SHARES	PERCENTAGE (%)
PHYSICAL	1109100	31.58
NSDL	1396496	39.76
CDSL	1109100	31.58
<b>TOTAL</b>	<b>3512250</b>	<b>100.00</b>

### ADDRESS OF CORRESPONDENCE

Shareholders may contact:

**Mr. Pradeep Kumar,**  
(Director & Compliance Officer)

#### Rahul Merchandising Limited

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

E-mail : rahulmerchandising@gmail.com

Website : www.rahulmerchandising.com

**CEO/CFO CERTIFICATION**

As required under Clause 49 IX of the listing agreement with the stock exchanges Mr. Pradeep Kumar, CFO of the Company certify to the Board that:

- a) The financial statements and the Cash Flow Statement for the year have been reviewed and to the best of his knowledge and belief:
  - (i) these statements do not contain any untrue statement of material fact, have not omitted any material fact and do not contain any statement that is misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
- b) To the best of his knowledge and belief no transactions entered into by the company during the year are fraudulent, illegal or violate the Company's code of conduct.
- c) He accepts responsibility for establishing and maintaining internal controls for financial reporting and that he has evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
- d) He has indicated to the auditors and the Audit Committee:
  - i) Significant changes in the internal control over financial reporting during the year
  - ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) There have been no instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

**TO WHOMSOEVER IT MAY CONCERN**

I, Pradeep Kumar, the Executive Director of the Company, do hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the Company pursuant to the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

Place: New Delhi  
Date: 28th August, 2015

Sd/-  
Pradeep Kumar  
Executive Director

**STATUTORY AUDITORS CERTIFICATE OF COMPLIANCES WITH THE CORPORATE GOVERNANCE  
REQUIREMENT UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**TO THE MEMBERS OF  
RAHUL MERCHANDISING LIMITED**

We have examined the compliance of Corporate Governance by **Rahul Merchandising Limited** for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring to compliance of the conditions of the Corporate Governance. 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, We certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For Jagdish Sapra & Co**  
**Chartered Accountants**  
**(Firm Registration No. 001378N)**

Place: New Delhi  
Dated: May 27<sup>th</sup>, 2015

Sd/-  
Vipul Kalra  
Partner  
Membership No. 084583

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

We submit herewith the Management discussion and analysis report on the business of the Company as applicable to the extent relevant.

**INDUSTRY OUTLOOK**

Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk and jute and skilled workforce has made India a sourcing hub. The most significant change in the Indian textile industry has been the advent of man-made fibers (MMF). MMF account for 68% of all fibres produced worldwide, and for 82% in Europe. India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe.

**OPPORTUNITY**

Textile manufacturing and trading is emerging as a efficiency ridden sector as the competition 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.

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

The financial statements have been prepared in accordance with the requirements of the Companies Act, 2013 and applicable accounting standards issued by the Institute of Chartered Accountants of India. 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.

**HUMAN RESOURCE 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 initiative, provides challenges and opportunities and recognizes the performance and potential of its employees attracting and retaining the best manpower available by providing high degree of motivation. Your Company believes in trust, transparency & teamwork to improve employees productivity at all levels.

By Order of the Board of Directors

Sd/-

**Snehlata Kaim**

Chairperson

DIN: 06882968

Date: 28/08/2015

Place: New Delhi



## Independent Auditors' Report

To the Members of

### Rahul Merchandising Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Rahul Merchandising Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Managements' Responsibility for the Standalone Financial Statements

The company's Board of directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its loss and its cash flows for the year ended on that date.

#### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report), Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that :
  - a) We have sought and 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 it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors, as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial statements- refer Note 23 to the financial statements.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Jagdish Sapra & Co**  
**Chartered Accountants**  
**(Firm Registration No. 001378N)**

Sd/-  
**Vipul Kalra**  
**Partner**  
**Membership No. 084583**

**Place: New Delhi**  
**Dated: May 27<sup>th</sup> 2015**

**Annexure to the Independent Auditors' Report**

(Referred to in paragraph 1 under Report on other Legal & Regulatory requirements' of our Report of even date)

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular programme of physical verification of its fixed assets through which all fixed assets are verified, in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification as carried out under the above programme during the current year.
- ii. As per information and explanations given to us and taking into consideration the nature of business, clauses (ii) (a) regarding physical verification of inventories and its frequency, (ii) (b) regarding procedures of physical verification of inventories and (iii) (c) regarding maintenance of records of inventory and discrepancies noticed on verification between physical stocks and book records are not applicable.
- iii. a) The Company has granted unsecured to a company covered in the register maintained under Section 189 of the Companies Act, 2013.  
as per information and explanations given to us. Consequently the provisions of clauses 3(iii)(a) and (iii)(b) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business. The company does not undertake any purchase of inventory, fixed assets and sale of goods or services. During the course of our audit we have not observed any major weakness in such internal control system.

## RAHUL MERCHANDISING LIMITED

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- v. As the company has not accepted any deposits from the public other than from directors and relatives of directors , the provisions of clause 3 (v) of the Order are not applicable.
- vi. The provisions of clause (vi) of the Order regarding maintenance of cost records as prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 are not applicable to the company.
- vii. a) According to the information and explanations given to us and the records of the company examined by us, the company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and other statutory dues with the appropriate authorities during the year except some delays in respect of Service Tax, Sales Tax, Excise duty and Tax deducted at source . We are informed that there are no undisputed statutory dues as at the year end, outstanding for a period of more than six months from the date they become payable.
  - b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.
  - c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there-under has been transferred to such fund within time.
- viii. The company does not have any accumulated losses as at the end of the financial year. The company has not incurred cash loss during the current year and during the immediately preceding financial year.
- ix. According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company has not defaulted in term loan repayment of dues to banks & financial institutions. The company has not obtained any borrowings by way of debentures.
- x. According to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks are not prejudicial to the interest of the Company.
- xi. In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which they were obtained.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and material fraud on the Company has been noticed or reported during the year.

**For Jagdish Sapra & Co**  
**Chartered Accountants**  
**(Firm Registration No. 001378N)**

**Place: New Delhi**  
**Dated: May 27<sup>th</sup> 2015**

Sd/-  
**Vipul Kalra**  
**Partner**  
**Membership No. 084583**

# RAHUL MERCHANDISING LIMITED

Rahul Merchandising Ltd. Balance Sheet as at 31st March 2015

₹ in rupees

	NOTE	As at 31.03.2015	As at 31.03.2014
<b>I EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUNDS</b>			
(a) Share capital	2	35122500	35122500
(b) Reserves and surplus	3	(15097198)	(14874904)
		<u>20025302</u>	<u>20247596</u>
<b>2 CURRENT LIABILITIES</b>			
(a) Short-term borrowings	4	59728561	59733361
(b) Trade payables	5	32598	3342900
(c) Other current liabilities	6	0	105500
(d) Short-term provisions	7	0	14861
		<u>59761159</u>	<u>63196622</u>
<b>TOTAL</b>		<u>79786461</u>	<u>83444218</u>
<b>II ASSETS</b>			
<b>1 CURRENT ASSETS</b>			
(a) Trade receivables	8	79745216	83380831
(b) Cash and cash equivalents	9	26384	48526
(c) Short term loan & advances	10	14861	14861
		<u>79786461</u>	<u>83444218</u>
<b>TOTAL</b>		<u>79786461</u>	<u>83444218</u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1	0	0

## NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF FINANCIAL STATEMENTS

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

Sd/-  
**Vipul Kalra**  
 Partner  
 Place: New Delhi  
 Dated: May 27th, 2015

**For & on behalf of the board**

Sd/-  
**Snehlata Kaim**  
 Chairperson

Sd/-  
**Pardeep Kumar**  
 Chief Financial Officer

# RAHUL MERCHANDISING LIMITED

Rahul Merchandising Ltd. Statement of Profit & Loss for the Year ended 31st March 2015		₹ in rupees		
	NOTE	Year Ended 31.03.2015	Year Ended 31.03.2014	
<b>I</b>	<b>Income from operations</b>	11	0	3475775
<b>II</b>	<b>Total Revenue</b>		<u>0</u>	<u>3475775</u>
<b>III</b>	<b>EXPENSES:</b>			
	a Purchase of stock in trade	12	0	3291550
	b Employees benefits expense	13	0	25500
	c Other expenses	14	222155	80733
	<b>Total expenses</b>		<u>222155</u>	<u>3397783</u>
<b>IV</b>	<b>Profit /(Loss) Before tax (II-III)</b>		(222155)	77992
<b>V</b>	<b>Tax expense:</b>			
	A Current tax			14861
	B Earlier years tax		139	0
	C Mat credit entitlement			(14861)
<b>VI</b>	<b>Profit/(Loss) for the year(IV-V)</b>		<u>(222294)</u>	<u>77992</u>
<b>VII</b>	<b>Earning per equity share:</b>	16		
	a Basic		(0.06)	0.02
	b Diluted		(0.06)	0.02
	<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

## NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF FINANCIAL STATEMENTS

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

Sd/-  
**Vipul Kalra**  
 Partner  
 Place: New Delhi  
 Dated: May 27th, 2015

**For & on behalf of the board**

Sd/-  
**Snehlata Kaim**  
 Chairperson

Sd/-  
**Pardeep Kumar**  
 Chief Financial Officer

# RAHUL MERCHANDISING LIMITED

Rahul Merchandising Ltd. Cash Flow Statement Year ended 31st March 2015

₹ in rupees

	2014-15		2013-14	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit/ (Loss) before tax	(222155)		77992	
Adjustment for :				
Taxes paid	(139)		0	
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(222294)</b>		<b>77992</b>	
(Increase)/ Decrease in Sundry Debtors	3635615		(3475775)	
Decrease/(Increase) in Other Receivables	0		(14861)	
(Decrease)/ Increase in Payables	(3430663)		3328905	
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(17342)</b>		<b>(83739)</b>	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed assets	0		0	
Proceeds from sale of Fixed Assets	0		0	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>0</b>		<b>0</b>	
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net proceeds of short term borrowings	(4800)		95000	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(4800)</b>		<b>95000</b>	
<b>NET INCREASE /(DECREASE )IN CASH AND CASH EQUIVALENTS</b>	<b>(22142)</b>		<b>11261</b>	
CASH AND CASH EQUIVALENTS AS AT OPENING	48526		37265	
CASH AND CASH EQUIVALENTS AS AT CLOSING	26384		48526	

## NOTES:

- The above cash flow statement has been prepared under the "indirect method" as set out in the Accounting Standard(AS)-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Figures in Brackets represent outflows.
- Previous year figures have been restated wherever necessary.

As per our report of even date

For Jagdish Sapra & Co.

Chartered Accountants

Sd/-

(CA VIPAL KALRA)

Partner

M.NO. 084583

Place: New Delhi

Dated: May 27, 2015

Sd/-

Snehlata Kaim

Chairperson

For and on behalf of the Board

Sd/-

Pardeep Kumar

Chief Financial Officer

# RAHUL MERCHANDISING LIMITED

2 Share Capital		₹ in rupees	
Particulars	As at 31st March 2015	As at 31st March 2014	
<b>Authorised :</b>			
80,00,000 Equity Shares of Rs. 10/- each	80000000	80000000	
2,00,000 Preference Shares of Rs. 100/- each	20000000	20000000	
	<b>100000000</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>35122500</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, 2015		As at 31st March, 2014	
	No. of shares	% held	No. of shares	% held
SURESH MANSHARAMANI	492600	14.03	492600	14.03
UMA MANSHARAMANI	224100	6.38	224100	6.38
RELIABLE ENGINEERING PVT LTD	289600	8.25	289600	8.25
CARNATION COMMODITIES PVT LTD	633350	18.03	633350	18.03

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

Particulars of Equity Shares	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	3512250	35122500	3512250	35122500
Changes during the year	0	0	0	0
Number of shares at the end	<b>3512250</b>	<b>35122500</b>	<b>3512250</b>	<b>35122500</b>

3 RESERVES & SURPLUS:	2014-15	2013-14
<b>Debit Balance in Statement of Profit and Loss;</b>		
As per last Balance Sheet	(14874904)	(14952896)
Add: Net Profit /(Loss) after tax transferred from Statement of Profit & Loss	(222294)	77992
	<b>(15097198)</b>	<b>(14874904)</b>
<b>4 SHORT TERM BORROWINGS:</b>	<b>2014-15</b>	<b>2013-14</b>
Loans from related parties-Unsecured	59728561	59733361
	<b>59728561</b>	<b>59733361</b>

## RAHUL MERCHANDISING LIMITED

<b>5 TRADE PAYABLES:</b>	<b>2014-15</b>	<b>2013-14</b>
Sundry creditors:		
- Micro, Small and Medium Enterprises (Refer Note 21)	0	0
- Others	32598	3342900
	<u>32598</u>	<u>3342900</u>
<b>6 OTHER CURRENT LIABILITIES</b>	<b>2014-15</b>	<b>2013-14</b>
Other payables:		
Accrued salaries and benefits	0	105500
	<u>0</u>	<u>105500</u>
<b>7 SHORT TERM PROVISIONS:</b>	<b>2014-15</b>	<b>2013-14</b>
Provision for Taxation	0	14861
	<u>0</u>	<u>14861</u>
<b>8 TRADE RECEIVABLES:</b>	<b>2014-15</b>	<b>2013-14</b>
<b>Unsecured, Considered good:</b>		
Over Six months	79745216	83380831
Others	0	0
	<u>79745216</u>	<u>83380831</u>
<b>9 CASH AND CASH EQUIVALENTS :</b>	<b>2014-15</b>	<b>2013-14</b>
(a) Balances with Banks:		
In Current accounts	5037	36779
(b) Cash on hand (as certified)	21347	11747
	<u>26384</u>	<u>48526</u>
<b>10 SHORT TERM LOAN &amp; ADVANCES:</b>	<b>2014-15</b>	<b>2013-14</b>
Mat credit entitlement	<u>14861</u>	<u>14861</u>
<b>11 INCOME FROM OPERATIONS</b>	<b>2014-15</b>	<b>2013-14</b>
Sale of Traded goods	0	3475775
	<u>0</u>	<u>3475775</u>
<b>12 PURCHASE OF STOCK IN TRADE:</b>	<b>2014-15</b>	<b>2013-14</b>
Fabrics	0	3291550
	<u>0</u>	<u>3291550</u>
<b>13 EMPLOYEE BENEFITS EXPENSE</b>	<b>2014-15</b>	<b>2013-14</b>
Salaries	0	25500
	<u>0</u>	<u>25500</u>
<b>14 OTHER EXPENSES:</b>	<b>2014-15</b>	<b>2013-14</b>
Payment to the auditors:		
As Auditor	22472	22472
Membership & Subscription	112360	33708
Miscellaneous expenses	87323	24553
	<u>222155</u>	<u>80733</u>



# RAHUL MERCHANDISING LIMITED

## NOTES TO THE ACCOUNTS

### 15. **Contingent Liabilities for :**

Claims against the company not acknowledged as debts Rs 4891/- (Rs NIL) disputed income tax demand contested by the company.

16. In the opinion of the Board, all the Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.
17. Loans given, some of the Current Liabilities, Sundry Debtors and Advances are subject to confirmation/reconciliation.
18. There are no separate reportable segments as per Accounting Standard (AS)-17 dealing with 'Segment Reporting.'
19. The company has assessed its assets for impairment and concluded that there are no impairment losses.
20. Deferred tax asset, if any, is not recognized on the basis of prudence.
21. There are no dues to Micro, Small & Medium Enterprises.
22. Exchange fluctuations against export debtors are not accounted as the company had filed claims with ECGC for recovery of debtors and payments against the export debtors will be recovered in India.

23. Earning per share (EPS)	As at 31.03.2015	As at 31.03.2014
	(Rs.)	(Rs.)
– Profit after tax as per Profit & Loss Account (A)	(222294)	77792
– Basic/Weighted Average Number of Equity Shares outstanding (B)	3512250	3512250
– Nominal value of equity shares	Re.10/- each	Rs.10/- each
– Basic/Diluted Earnings per share (A)/(B)	(0.06)	0.02

### 24. Additional Information as required by part II of schedule VI of the Companies Act, 1956:

a) Gross Income	Year ended	Year ended
	31.3.2015	31.3.2014
	Rs.	Rs.
i) C I F value of imports	0	(0)
ii) Expenditure in foreign currency	0	(0)
iii) Earning in Foreign Exchange	0	(0)

Note: Figures in brackets above are in respect of previous year.

25. Previous year figures have been regrouped/rearranged to make them comparable with those of current year.

26. Notes 1 to 26 form an integral part of Balance Sheet & Statement of Profit & Loss and have been duly authenticated.

As per our Report of even date

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

Sd/-  
**Vipul Kalra**  
 Partner  
 Place: New Delhi  
 Dated: May 27th, 2015

**For & on behalf of the board**

Sd/-  
**Snehlata Kaim**  
 Chairperson

Sd/-  
**Pardeep Kumar**  
 Chief Financial Officer

**Notes forming part of the Financial Statements**

Note 1. **Significant Accounting Policies**

a) **Basis of preparation**

The financial statements are prepared under the historical cost convention on accrual basis of accounting to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions thereof.

b) **Fixed Assets**

Fixed assets are carried at the cost of acquisition less accumulated depreciation. The cost of Fixed assets include taxes and other identifiable direct expenses. Interest on borrowed funds attributable to the qualifying assets up to the period such assets are put to use, is included in the cost of fixed assets.

c) **Depreciation**

W.e.f 1-4-2014 Depreciation on fixed assets is provided on Written Down Value Method (WDV) as per useful life & in the manner prescribed in Schedule II of the Companies Act, 2013.

For assets where the remaining useful life of assets is exhausted, the carrying amount of the assets as on 1st April, 2014 after retaining the residual value is adjusted against opening balance of retained earnings.

d) **Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at the lower of cost or fair value. Long term investments are carried at cost less permanent diminution in value, if any.

e) **Revenue Recognition**

Revenue is recognised when there is reasonable certainty of its ultimate realization/collection.

f) **Inventories**

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

g) **Foreign Exchange Transactions**

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year end rates. The resultant gain/loss upon such restatement along with the gain/loss on account of foreign currency transactions are accounted in the Statement of Profit and Loss.

h) **Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income in accordance with relevant tax rates and tax laws.

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 or 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.

i) **Impairment of Assets**

Regular review is done to determine whether there is any indication of impairment of the carrying amount of the Company's fixed 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 Statement of Profit and Loss.

j). **Provisions and Contingencies**

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.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

k) **Other Accounting Policies**

These are consistent with generally accepted accounting practices.

**RAHUL MERCHANDISING LIMITED**

CIN: L74899DL1993PLC052461

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

Website : www.rahulmerchandising.com, Email id: rahulmerchandising@gmail.com

**ATTENDANCE SLIP****22nd Annual General Meeting**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL Joint shareholders may obtain slip at the venue of the meeting.

DP ID	Folio No.
Client ID	No of Shares

NAME AND ADDRESS OF THE SHAREHOLDER \_\_\_\_\_

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the company held on Wednesday September 30, 2015 at 11.00 A.M. at 1508-09, Gali NO-3, Wazir Nagar, Kotla Mubarakpur, New Delhi-110003

\*Applicable for investors holding shares in electronic form

\_\_\_\_\_  
Signature of Shareholder/proxy**RAHUL MERCHANDISING LIMITED**

CIN: L74899DL1993PLC052461

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

Website : www.rahulmerchandising.com, Email id: rahulmerchandising@gmail.com

**Form No. MGT-11  
PROXY FORM**

Name of the member(s):	Email ID
Registered address	Folio No/Client id /DP Id:

I/We, being the member(s) of \_\_\_\_\_ shares of Rahul Merchandising Limited, hereby appoint:

1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

as my/our proxy to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company on Wednesday, September 30, 2015 at 11:00 A.M. 1508-09, Gali NO-3, Wazir Nagar, Kotla Mubarakpur, New Delhi-110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution	Assent	Dissent
	<b>Ordinary Business:</b>		
1.	Adoption of audited financial statements for the year ended March 31, 2015		
2.	Re-appointment of Mr.Pradeep Kumar who retire by rotation		
3.	Re-appointment of M/s.Jagdish Sapra & Co., Chartered Accountants, as Auditors of the Company		
	<b>Special Business</b>		
4.	Appointment of Mr. Pradeep Kumar as Whole Time Director		
5.	Appointment of Mr. Rajeshwar Bhagat as an Independent Director		
6.	Appointment of Ms. Priyanka Rana as Independent Director		

Signed this.....day of.....2015

Signature of Shareholder \_\_\_\_\_

Signature of first proxy holde \_\_\_\_\_

Affix  
Revenue  
Stamp**Notes:**

- The Proxy Form in order to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
  - For Resolutions, Explanatory Statements and Notes, please refer Notice of 22nd Annual General Meeting of the Company.
- \* It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolution(s), your proxy will be entitled to vote in the manner he/she thinks appropriate.

# BOOK POST

*If Undelivered, please return to:*

**Rahul Merchandising Limited**

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

E-mail [rahulmerchandising@gmail.com](mailto:rahulmerchandising@gmail.com)

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