

RAHUL MERCHANDISING LIMITED



24TH ANNUAL GENERAL MEETING

BOARD OF DIRECTORS

Mr. Pardeep Kumar	Whole Time Director
Ms. Snehlata Kaim	Director (Category Independent)
Ms. Priyanka Rana	Director (Category Independent)
Mr. Sunny Kumar	Additional Director (Category Independent) *Appointed on 11.11.2016
Mr. Paras Pant	Director (Category Independent) *Resigned on 29.06.2016
Mr. Himanshu Chandani	Director (Category Independent) *Resigned on 11.11.2016

KEY MANAGERIAL PERSONNEL

Pardeep Kumar
Whole Time Director & Chief Financial Officer

SECRETARIAL AUDITOR

Tanay Ojha
Practicing Company Secretary

STATUTORY AUDITOR

M/s Jagdish Sapra & Co. LLP
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
D-153A, First Floor, Okhla
Industrial Area, Phase-1,
New Delhi- 110020

REGISTERED OFFICE

204, Siddhartha Building, 96,
Nehru Place, New Delhi- 110019

SHARES LISTED AT

BSE Limited

BANKERS

Indian Overseas Bank,
New Friends Colony,
New Delhi-110025

E-MAIL

rahulmerchandising@gmail.com

WEBSITE

www.rahulmerchandising.com

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NOTICE

NOTICE is hereby given that the **24th** Annual General Meeting of the members of **Rahul Merchandising Limited** will be held on **Tuesday, 5th day of September, 2017 at 10:00 A.M.** at registered office of the company at **204, Siddhartha Building, 96, Nehru Place, New Delhi- 110019** to transact the following businesses:

ORDINARY BUSINESS:

1. *Ordinary Resolution* to receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017 and the Statement of Profit & Loss Account for the year ended on that date together with the report of Directors and Auditors' thereon.
2. *Ordinary Resolution* to appoint a Director in place of **Mr. Pardeep Kumar (DIN:2940382)** who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for *Re-appointment*.
3. *Ordinary Resolution* for appointment of **M/s Jagdish Sapra & Co. Chartered Accountants (Firm Registration No. 001378N)** as Statutory Auditor:

“**RESOLVED THAT** pursuant to the provisions of section 139(2) & 142(1) and all other applicable provisions of the Companies Act, 2013, if any, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), **M/s Jagdish Sapra & Co. Chartered Accountants, (Firm Registration No. 001378N)**, be and is hereby appointed as Statutory Auditor of the Company to hold office for a period of **two years** from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 26th A.G.M. of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditor.”

SPECIAL BUSINESS:

4. **APPOINTMENT OF MR. SUNNY KUMAR AS AN INDEPENDENT DIRECTOR**

To consider, and if thought fit, to pass, the following resolution as an *Ordinary Resolution*:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013, to be read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) along with Articles of Association of the company, **Mr. Sunny Kumar (DIN: 07648718)**, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 11th November, 2016 to hold office up to the date of ensuing Annual General Meeting, and in respect of whom the Company has also received a notice of Intention in writing signifying his intention to propose himself as a candidate for the office of Director of the Company, be and is hereby appointed as Independent Director of the Company for a period of **5 years** i.e. upto the conclusion of Annual General Meeting to be held in the **financial year 2021-22**, and whose office shall **not be liable to retire by rotation**”

5. **ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION**

To consider and if thought fit, to pass with or without modification the following resolution as a *Special Resolution*:

“**RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and 15 of the Companies Act, 2013, together with Schedule I as enacted there under in the Act, to be read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and all other applicable provisions, if any, of the Companies Act 2013, a new set of Articles of Association, primarily based on Table F of Schedule I to the Companies Act 2013, be and is hereby approved and adopted as the new set of Articles of Association in place of the existing Articles of Association of the Company.”

6. ADOPTION OF NEW SET OF MEMORANDUM OF ASSOCIATION

To consider and if though fit, to pass with or without modification the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 13, 15 and all other applicable provisions of the Companies Act, 2013 to be read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the draft clauses as contained in the Memorandum of Association which are submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the clauses as contained in the existing Memorandum of Association of the Company with immediate effect.”

**By order of the Board of Directors
For RAHUL MERCHANDISING LIMITED**

Sd/-

**(Pardeep Kumar)
Whole Time Director
(DIN: 02940382)**

Add: 204, Siddhartha Building,
96, Nehru Place, New Delhi-110019

**Date: 19.07.2017
Place: New Delhi**

NOTES:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business(es) to be transacted at the Meeting is annexed hereto.
2. **A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ONLY AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, PROXY FORMS DULY COMPLETED IN ALL RESPECTS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in 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(s) or shareholder(s).

3. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a Certified True Copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Relevant documents as referred to in the accompanying Notice along with the Statements are open for inspection by members at Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Annual General Meeting.
5. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on Tuesday, 5th day of September, 2017 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) forms part of the notice.
6. The Register of Members and Share Transfer Books will remain closed from **Friday, 1st September, 2017 to Tuesday, 5th September, 2017 (both days inclusive)**.
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or its Registrar & Share Transfer Agent (RTA), for assistance in this regard.
8.
 - a) The members who are holding shares in physical form are requested to intimate any change in their address with pin code immediately either to the Company or to its Registrar & Share Transfer Agent (RTA) promptly.
 - b) The members who are holding shares in demat form are requested to intimate any change in their address with pin code immediately to their Depository Participants.
9. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above, the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of service where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, **M/s. Skyline Financial Services Private Limited**.
10. The shares of the Company are at presently listed on **BSE Limited**.
11. Pursuant to the provisions under Section 108 of Companies Act, 2013 to be read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended from time to time along with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members, the facility to exercise their right to vote at the ensuing Annual General Meeting by Electronic Means. The business(s) proposed to be transacted as mentioned in the Annual General Meeting Notice may be transacted through voting by Electronic Means (Remote e-voting) as well. For this, Company is availing the services provided by **National Depository Services Limited ("NSDL")**. The facility for voting through Ballot Paper will also be made available at the meeting venue, for the members who have not cast their votes by remote

e-voting. They shall also be able to exercise their voting rights at the AGM by voting through ballot paper. Members who have already cast their vote by remote e-voting process prior to the date of meeting shall be eligible to attend the Annual General Meeting but shall not be entitled to cast their votes again through ballot process.

The instructions for e-voting by members are annexed to the Notice.

12. The Board of Directors of the company has appointed **Ms. Preeti Jain, Company Secretary (C. P. No. 17079) (M. No. 41759)** as **Scrutinizer** for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
13. The Scrutinizer, after scrutinizing the votes cast at the meeting through Poll and through remote e-voting, shall, not later than three days of conclusion of the Meeting, make a “**Consolidated Scrutinizer’s Report**” and submit the same to the Chairman. The results declared along with the consolidated scrutinizer’s report shall be placed on website of the Company at www.rahulmerchandising.com and on the website of Stock Exchange at www.bseindia.com.
14. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the General Meeting, i.e. **5th September, 2017**.
15. The login ID and password for remote e-voting along with Process, Manner and Instructions for remote e-voting is being sent to Members who have not registered their E-mail ID(s) with the Company / their respective Depository Participants along with physical copy of the Notice.

Those Members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for remote e-voting along with Process, Manner and Instructions through E-mail.

16. Voting rights shall be reckoned on the Paid-up value of shares registered in the name of Member / Beneficial Owner (in case of shares in Dematerialized form) as on the **cut-off date i.e. Friday, 1st September, 2017**.
17. 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, i.e. 1st September, 2017** only shall be entitled to avail the facility of e-voting / Poll.

Note: A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

18. No gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the General Meeting.
19. **The Instructions for shareholders voting electronically are as under:**

Date and Time of commencement of e-voting	E-Voting period commence from Saturday, 2 nd September, 2017 at 9:00 A.M.
Date and Time of Conclusion of e-voting	E-Voting period ends on Monday, 4 th September, 2017 at 5:00 P.M.

- i. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 01.09.2017** may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date through remote E-voting would not be entitled to vote at the meeting venue through Poll.

iii. The instructions for remote e-voting are as under:

- a. In case a member receives an e-mail from NSDL [for members whose e-mail addresses are registered with the Company/Depository Participants(s)]:-
 - i. Open e-mail and open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser and type the following URL: <https://www.evoting.nsd.com> .
 - iii. Click on Shareholder – Login.
 - iv. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and

- password.
- v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vii. Once the remote e-voting home page opens, click on remote e-voting> Active Voting Cycles.
 - viii. Select “EVEN” (Remote E-voting Event Number) **106845**. 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 **preeticsjain@gmail.com** or **rahulmerchandising@gmail.com** with a copy marked to **evoting@nsdl.co.in** .
 - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and remote e-voting user manual for shareholders available at the “Downloads” section of www.evoting.nsdl.com .
 - xiv. 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. 01.09.2017**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

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 or contact NSDL at the following toll free no.: 1800-222-990.

- b. In case a member receives physical copy of the notice of AGM (for members whose email addresses are not registered with the Company/Depositories):
 - i. Initial password is provided in the enclosed attendance slip: EVEN (Remote E-voting Event Number), user ID and password.

Please follow all steps from S. No. (ii) to S. No. (xiii) above, to cast vote.

- ii. To address issues/grievances of shareholders relating to the ensuing AGM, including e-voting, the following official has been designated:

Name of Official	Pardeep Kumar
Designation	Whole Time Director
Address	204, Siddhartha Building, 96, Nehru Place, New Delhi - 110019
Contact	011-26212295
E-mail	rahulmerchandising@gmail.com

ANNEXURE TO THE NOTICE

PROFILE OF PROPOSED DIRECTOR

Name	Pardeep Kumar
Director Identification Number (DIN)	02940382
D.O.B.	25.08.1970
Qualification	Commerce Graduate
Expertise in specific area	Secretarial work
Date of First appointment on the Board of the Company	01.12.2005
List of Directorship held in other companies	1. Heretagge Designs Private Limited 2. Reliable Engineering Private Limited 3. Rahul Fin-Vest Private Limited
Names of Listed Entities in which the person holds membership of Committees of the Board	Nil
Relationship between Directors Inter-se	None

PROFILE OF PROPOSED DIRECTOR

Name	Sunny Kumar
Director Identification Number (DIN)	07648718
D.O.B.	27/02/1989
Qualification	Graduate
Expertise in specific area	Administration and Management
Date of First appointment on the Board of the Company	11/11/2016
List of Directorship held in other companies	Togera Private Limited
Names of Listed Entities in which the person holds membership of Committees of the Board	Nil
Relationship between Directors Inter-se	None

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

APPOINTMENT OF MR. SUNNY KUMAR AS AN INDEPENDENT DIRECTOR

Pursuant to the provisions of Section 149 and all other applicable provisions of the Companies Act, 2013, if any, read with (Appointment and Qualification of Directors) Rules, 2014 as amended by Companies (Appointment and Qualification of Directors) Rules, 2015 and (Listing Obligations & Disclosure Requirements) Regulation 2015, every listed company is required to have an optimum combination of Directors on the Board of the Company.

Therefore, as per the provisions of Section 161 of the Companies Act, 2013, **Mr. Sunny Kumar** who was appointed as an Additional Director (Independent) with effect from 11th November, 2016 and who holds office till the conclusion of this Annual General Meeting. A notice under Section 160(1) of the Act has been received from the proposed candidate, signifying his intention to propose appointment as a "Director". The Company has already received a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Board recommended confirmation of appointment of Mr. Sunny Kumar stating that it will be immense benefit to the Company and it is desirable to continue to avail his services and proposed his appointment for a period of **five years** i.e upto the conclusion of Annual General Meeting to be held in the year 2021-22.

A brief profile of Mr. Sunny Kumar has already been provided under the heading "Details of Appointment / Re-Appointment of Directors at the forthcoming AGM (Annexure to the Notice)".

The Board of Directors recommends the resolution as set out in the Item No. 4 by way of Ordinary Resolution.

Except, Mr. Sunny Kumar being the appointee director, none of the other Director(s) and/or Key Managerial Personnel including their relatives or concerned are interested, financially or otherwise in the proposed resolutions.

ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION

The Companies Act, 2013 is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections. Importantly, the substantive Sections of the Companies Act, 2013 which deal with the general working of companies stand notified. The existing Articles of Association ("AOA") of the Company are based on the Companies Act, 1956. Not only do several regulations in the existing AOA contain references to the specific Sections of the Companies Act, 1956, but some regulations in the existing AOA are no longer in conformity with the Companies Act, 2013. With the coming into force of the Companies Act, 2013 several regulations of the existing AOA of the Company require alteration or deletion. It is therefore, considered expedient to replace the existing AOA with an entirely new set of AOA. The substitution of the existing AOA with the new AOA is proposed to align the AOA of the Company with the provisions of the Companies Act, 2013. The proposed new draft of AOA is kept available for inspection during office hours at registered office of the Company up to the date of ensuing General Meeting.

None of the following persons is/are interested in the aforesaid resolution, financially or otherwise:-

- (i) Any Director(s) or Manager,
- (ii) Any Other Key Managerial Personnel(s),
- (iii) Relatives of the persons mentioned in sub clauses (i) and (ii) above.

The Board recommends passing of the resolution as set out at Item No. 5 as a Special Resolution.

ADOPTION OF NEW SET OF MEMORANDUM OF ASSOCIATION

The existing Memorandum of Association ("MOA") of the Company, is based on Companies Act, 1956 ("1956 Act") and is no longer in conformity with the Companies Act, 2013 ("2013 Act"). With the enactment of 2013 Act, several clauses of MOA require alteration/deletion. Given this position, it is considered expedient to adopt the new set of Memorandum

of Association (primarily based on Table A as set out under Schedule I to the Act) in place of existing MOA, instead of amending it by alteration/incorporation of provisions of 2013 Act. In terms of Section 13 of 2013 Act, consent of Members by way of a **Special Resolution** is required for adoption of a new set of Memorandum of Association.

None of the following persons are interested in the aforesaid resolution, financially or otherwise:-

- (i) Any Director(s) or Manager,
- (ii) Any Other Key Managerial Personnel(s),
- (iii) Relatives of the persons mentioned in sub clauses (i) and (ii) above.

The Board recommends passing of the resolution set out at Item No. 6 as a Special Resolution.

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present to the valued stakeholders, the **24th** Annual Report of **Rahul Merchandising Limited** along with the Audited Financial Statements of the Company for the Year ended March 31st, 2017.

FINANCIAL HIGHLIGHTS- AT A GLANCE

➤ **Overall Performance of your Company**

- The Financial Year 2016-17 has shown a conventional performance during the year under review. The net Loss of your Company had gone down from **Rs. 2,77,600/-** in the Financial Year **2015-16** to **Rs. 188/-** in the Financial Year **2016-17**.

➤ **The financial summary, performance highlights operations/state of affair of your Company for the year are summarized below:**

PARTICULARS	Amount (In Rupees)	
	Standalone	
	2016-17	2015-16
Income from Business Operations	3,06,000	52,000
Other Income	0.00	0.00
Total Income	3,06,000	52,000
Less: Expenditure except Depreciation	3,06,188	3,29,600
Profit/Loss before Interest, Depreciation and Tax	(188)	(2,77,600)
Less: Interest and other Financial Charge(s)	0.00	0.00
Profit/Loss before Depreciation and Tax	(188)	(2,77,600)
Less: Depreciation	0.00	0.00
Profit/Loss before Tax	(188)	(2,77,600)
Less: Tax Expense	0.00	0.00
Add: Deferred Tax Asset	0.00	0.00
Net Profit/Loss after Tax	(188)	(2,77,600)
Earnings per share:		
Basic	0.00	0.08
Diluted	0.00	0.08

DIVIDEND

No Dividend was declared for the current financial year due to loss incurred by the Company.

RESERVES

The Board proposes no amount to transfer to the reserves as the company is running under loss.

DEPOSITS

During the year under review, the Company has not accepted any deposits in terms of *section 73* of the Companies Act, 2013 to be read with the Companies (Acceptance of Deposits) Rule, 2014 as amended from time to time and also no amount was outstanding on account of principal or interest thereon, as on the date of the Balance Sheet.

SUBSIDIARY / ASSOCIATE/ JOINT VENTURES COMPANIES OF THE COMPANY

The Company is not having any Subsidiary Company/ Joint Venture/ Associate Company during the financial year 2016-2017. Form AOC-1 has also been attached with this report as “**Annexure D**”

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section of this Annual Report.

CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in nature of business of the Company.

CHANGE IN DIRECTORS /KEY MANAGERIAL PERSONNEL DURING THE YEAR

The details about the changes in Directors or Key Managerial Personnel by way of Appointment, Re–designation, Resignation, Death, Dis-qualification, variation made or withdrawn etc. are as follows:

S. No.	Name	Designation	Nature of Change	With Effect From
1.	Mr. Paras Pant	Additional Director	Cessation	29.06.2016
2.	Mr. Sunny Kumar	Additional Director (Category Independent)	Appointment	11.11.2016
3.	Mr. Himanshu Chandani	Independent Director	Cessation	11.11.2016

During the year 2016-17, **Mr. Paras Pant (DIN: 07363774)**, Additional Director of the Company and **Mr. Himanshu Chandani (DIN: 06735022)**, Director of the company, who were associated with the Company since, **10th February, 2016** and **23rd October, 2013**, respectively and had resigned w.e.f. **29th June, 2016** and **11th November, 2016** respectively, from directorship of the Company due to their personal occupancy. The resignation for the same was accepted by the Board. The Board places on record its appreciation for the services rendered by them during their tenure as a Director.

Mr. Pardeep Kumar (DIN: 02940382), Whole Time Director will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment on the Board at the ensuing Annual General Meeting.

During the year, the Board of Directors appointed **Mr. Sunny Kumar (DIN: 07648718)** as the Additional Director (*Category Independent*) w.e.f. from 11th November, 2016 .

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF COMPANIES ACT, 2013

All Independent Directors have given declarations under section 149(7) that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Rules made there under to be read with SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015.

DISCLOSURE OF CHANGE IN ACCOUNTING TREATMENT IN FINANCIAL STATEMENTS

During the period under review, there were no changes in the Accounting treatment in the Financial Statements for the financial year 2016-17, different from that as prescribed in Accounting Standards, prescribed by the Institute of Chartered Accountants of India (ICAI).

EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return under sub section 3 of Section 92 of the Companies Act, 2013 in Form MGT-9 is annexed herewith as “**Annexure- A**”.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, Eight Board Meetings, Four Audit Committee Meetings, One Nomination & Remuneration Committee Meeting, One Stakeholders' Relationship Committee Meeting and One Internal Compliant Committee Meeting were convened and held. All the Meetings including Committee Meetings were duly held and convened and the intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013 read with the SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015.

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015.

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee of the Company is constituted in line with the provisions of section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of section 178 of the Companies Act, 2013 read with Regulation 20 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015.

BOARD ANNUAL EVALUATION

The provisions of section 134(3)(p) of the Companies Act, 2013 read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that a Formal Annual Evaluation is to be made by Board of its own performance and that of its Committee and individual Directors. Schedule IV of the Companies Act, 2013 states that performance evaluation of the Independent Director shall be done by Directors excluding the Director being evaluated. The Board carried out a formal annual performance evaluation as per the criteria/framework laid down by the Nomination & Remuneration Committee of the company and adopted by the Board. The evaluation was carried out through a structured evaluation process to judge the performance of individual Directors including the Chairman of the Board. They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behavior, leadership qualities, level of engagement & contribution, independence of judgment, decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders.

The performance evaluation of the Independent Directors was carried out by the entire Board except the participation of concerned Independent Director whose evaluation was to be done. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board was satisfied with the evaluation process and approved the evaluation results thereof.

REMUNERATION POLICY OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board on the recommendation of Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and fixation of their remuneration thereof. The Policy contains, inter-alia, directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director, etc.

FAMILIARIZATION POLICY

Pursuant to the provisions of Regulation 25(7) of Listing Regulations, 2015, the Board has framed a policy to familiarize Independent Directors about the Company.

STATUTORY AUDITOR & SECRETARIAL AUDITOR WITH THEIR QUALIFICATION, RESERVATION OR ADVERSE REMARKS ALONG WITH THE EXPLANATION OR COMMENTS BY THE DIRECTORS

A. STATUTORY AUDITOR

M/s Jagdish Sapra & Co., Chartered Accountants, being Statutory Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

In terms of the provisions of Section 139(2) & 142(1) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 and any modification(s) thereof, the Statutory Auditors (including any Associate Audit Firm) can be appointed for a maximum two terms of 5 years which shall be inclusive of the existing tenure completed by such Statutory Auditors and Section 139 also provides three years period to comply with this requirement.

Since, **M/s Jagdish Sapra & Co.**, Chartered Accountants, have completed **8 years** as Statutory Auditors of the Company, it is proposed to re-appoint them for a further term of *2 consecutive years* from the conclusion of the ensuing *24th Annual General Meeting to the conclusion of 26th Annual General Meeting*, subject to ratification by the shareholders at every Annual General Meeting. The Company has received letter from the Auditor to the effect that their appointment, if made, shall be in accordance with the conditions as prescribed in the Rule 4 of the Companies (Audit and Auditors) Rules, 2014, and that they are not disqualified for appointment within the meaning of Section 139 and 141 of the Companies Act, 2013.

Qualification(s) and Directors' comments on the report of Statutory Auditor:

The Notes on Accounts and observations of the Auditors in their Report on the Accounts of the Company are self-explanatory and in the opinion of the Directors, do not call for any further clarification(s). Also, the report submitted by the Auditor is unqualified.

B. SECRETARIAL AUDITOR

Pursuant to provision of section 204 of the Companies act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the Company has appointed **Tanay Ojha, Company Secretary** to undertake Secretarial Audit of the Company.

The Secretarial Audit was conducted by him and the report thereon is annexed herewith as "**Annexure- B**".

Qualification(s) and Directors' comments on the report of Secretarial Auditor:

The observation made by the Secretarial Auditor in its report is given below:

- 1. The Company has not appointed a Whole Time Company Secretary pursuant to Section 203 of the Companies Act, 2013.***

Reply of Management for observation made by the Secretarial Auditors in his report:

As Companies Act, 2013 has been implemented in the financial year 2014-15, demand for Company Secretaries has gone up substantially. There are more companies than available Company Secretaries in the current scenario. Company is making efforts to appoint Company Secretary for the Company and hope to finalize the candidate for the requisite post at the earliest.

INTERNAL AUDIT

The Company had appointed Internal Auditor to carry out the Internal Audit Function. The Internal Auditor submits a "Quarterly Report" to the Audit Committee.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITOR

There were no instances of fraud, those have been observed by the Statutory Auditor during audit of the financial statements for the financial year 2016-17, which are required to be disclosed by the company in its Board Report under Section 143 (12) of the Companies Act, 2013.

PARTICULAR OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given any loan(s) or guarantee(s) and has not made any investment covered under the provision of the section 186 of the Companies Act, 2013 during the year under review.

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013

In the financial year 2016-2017, company did not enter into any contracts or arrangements with any related party. Form AOC-2 has also been attached with this report as “**Annexure C**”

MATERIAL CHANGES AND COMMITMENTS, IF ANY

There are no material changes or commitments noticed by the Board between the end of financial year of the company as on 31st March, 2017 and the date of this Report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE

To the best of the Management’s knowledge, no significant and material order(s) were passed by any regulator(s) or courts or tribunals which could impact the going concern status and company’s operation in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT-GO

The provisions of Section 134(3)(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

RISK MANAGEMENT

The provisions of SEBI Regulations for formation of Risk Management Committee are not applicable to the Company. However, as per section 134 (3) (n) of Companies Act 2013, the company regularly maintains a proper check in normal course of its business regarding risk management. Currently, the company does not identify any element of risk which may threaten the existence of the company.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The company does not fall under the criteria of net worth, turnover or profit for applicability of Corporate Social Responsibility (CSR) provisions as per Section 135 of the Companies Act, 2013, hence the same are not applicable to the company for the period under review.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per Regulation 22 of the SEBI Regulations, 2015, in order to ensure that the activities of the Company & its employees are conducted in a fair & transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the company has adopted a vigil mechanism policy.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of “The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013” and Rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) at its workplaces. During the year, no complaints were filed with the Company.

CORPORATE GOVERNANCE REPORT

The company is committed to maintain and adhere to the highest standard of Corporate Governance Practices.

Pursuant to regulation 34 (3) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report of Corporate Governance have been included in this report as separate section. A certificate from **M/s Jagdish Sapra & Co., Chartered Accountants**, regarding compliance of condition of Corporate Governance as

stipulated in regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has also been include in this Annual Report.

HUMAN RESOURCE

The relationship with employees continues to be harmonious. The company always consider its human resource as its most valuable asset. Imparting adequate and specialized training to its employees is ongoing exercise in the company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a robust and comprehensive Internal Financial Control system commensurate with the size, scale and complexity of its operation. The system encompasses the major processes to ensure reliability of financial reporting, compliance with policies, procedures, laws, and regulations, safe guarding of assets and economical and efficient use of resources.

The Company has performed an evaluation and made an assessment of the adequacy and the effectiveness of the Company's Internal Financial Control System. The Statutory Auditors of the Company have also reviewed the Internal Financial Control system implemented by the Company on the financial reporting and in their opinion, the Company has, in all material respects, adequate Internal Financial Control system over Financial Reporting and such Controls over Financial Reporting were operating effectively as on 31st March, 2017 based on the internal control over financial reporting criteria established by the Company.

The policies and procedures adopted by the Company ensure the orderly and efficient conduct of its business and adherence to the company's policies, prevention and detection of frauds and errors, accuracy & completeness of the records and the timely preparation of reliable financial information.

The Internal auditors continuously monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management with regard to the internal control framework.

Audit committee meets regularly to review reports submitted by the Internal Auditors. The Audit Committee also meet the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system and compliance to accounting policies and procedures followed by the Company.

LISTING AGREEMENT

The shares of the Company are presently listed at **BSE Limited**.

All statutory dues including Annual Listing Fees for the Financial Year 2017-18 has been paid by the Company.

PERSONNEL RELATIONS

Your Directors hereby place on record their appreciation for the services rendered by executives, staff and other workers of the Company for their hard work, dedication and commitment. During the year under review, relations between the Employees and the Management continued to remain cordial.

CODE OF CONDUCT

The Board of Directors has laid down the code of conduct for all 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 Companies Act, 2013 to be read with SEBI Listing Regulations, 2015.

All Board Members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the Code of Conduct.

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 no remuneration has been paid to him during the year. **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

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(3) of the Companies Act 2013, the Directors, would like to state as follows:

- (a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments & estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the company at the end of the financial year and of the loss of the Company for that period ;
- (c) The Directors had taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing & detecting fraud & other irregularities;
- (d) The Directors had prepared the Annual Accounts on a going concern basis;
- (e) The Directors had laid down Internal Financial Controls to be followed by the Company and such controls are adequate and are operating effectively;
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for assistance and co-operation received from the various stake holders including Financial Institutions, Banks, Governmental authorities and other business associates who have extended their valuable support and encouragement during the year under review.

Your Directors take the opportunity to place on record their deep appreciation of the committed services rendered by the employees at all levels of the Company, who have contributed significantly towards Company's performance and for enhancing its inherent strength. Your Directors also acknowledge with gratitude the encouragement and support extended by our valued stakeholders.

**By Order of the Board of Directors
For RAHUL MERCHANDISING LIMITED**

Date: 19.07.2017
Place: New Delhi

Sd/-
(Pradeep Kumar)
Whole Time Director
DIN:02940382

Sd/-
(Snehlata Kaim)
Director
DIN : 06882968

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1	CIN	L74899DL1993PLC052461
2	Registration Date	09/03/1993
3	Name of the Company	RAHUL MERCHANDISING LIMITED
4	Category of the Company	Company Limited by Shares
5	Sub-category of the Company	Indian Non-Government Company
6	Address of the Registered office & contact details	204, Siddhartha Building, 96, Nehru Place New Delhi-110019 Contact : 011-26212295
7	Whether listed company	Yes, BSE Limited
8	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name : Skyline Financial Services Pvt. Ltd. Add : D-153A, First Floor, Okhla, Industrial Area, Phase-1, New Delhi-110020 Ph. : 011-26812683

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Retail sale via stalls and markets of textiles and clothing	47820	100%

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	Nil				

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 [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	724,200	-	724,200	20.62%	724,200	-	724,200	20.62%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	289,600	-	289,600	8.25%	289,600	-	289,600	8.25%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	1,013,800	-	1,013,800	28.86%	1,013,800	-	1,013,800	28.86%	0.00%

(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	1,013,800	-	1,013,800	28.86%	1,013,800	-	1,013,800	28.86%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	300	300	0.01%	-	300	300	0.01%	0.00%
b) Banks / FI	400	-	400	0.01%	400	-	400	0.01%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1) :	400	300	700	0.02%	400	300	700	0.02%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	810,834	2,950	813,784	23.17%	810,084	3,400	813,484	23.16%	-0.01%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	36,003	408,300	444,303	12.65%	37,903	407,000	444,903	12.67%	0.02%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	512,362	686,300	1,198,662	34.12%	512,362	686,000	1,198,362	34.12%	0.00%
c) Others (specify)									
Non Resident Indians		4,200	4,200	0.12%		4,200	4,200	0.12%	0.00%
Overseas Corporate									
Bodies		6,300	6,300	0.18%		6,300	6,300	0.18%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Resident Indian HUF		30,501	30,501	0.87%	30,501		30,501	0.87%	0.00%
Sub-total (B)(2):-	1,359,199	1,138,551	2,497,750	71.12%	1,390,850	1,106,900	2,497,750	71.12%	0.00%
Total Public (B)	1,359,599	1,138,851	2,498,450	71.14%	1,391,250	1,107,200	2,498,450	71.14%	0.00%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	2,373,399	1,138,851	3,512,250	100.00%	2,405,050	1,107,200	3,512,250	100.00%	0.00%

RAHUL MERCHANDISING LIMITED

(ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2016]			Shareholding at the end of the year [As on 31-March-2017]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Suresh Mansharamani	492,600	14.03%	Nil	492,600	14.03%	Nil	0.00%
2	Uma Mansharamani	224,100	6.38%	Nil	224,100	6.38%	Nil	0.00%
3	Reliable Engineering Pvt Ltd	289,600	8.25%	Nil	289,600	8.25%	Nil	0.00%
4	Veena Balani	2,500	0.07%	Nil	2,500	0.07%	Nil	0.00%
5	Anoop Kumar Gajwani	2,500	0.07%	Nil	2,500	0.07%	Nil	0.00%
6	Beena Jotwani	2,500	0.07%	Nil	-	0.00%	Nil	-100.00%

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

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the year [As on 31-March-2017]	
				No. of shares	% of total shares	No. of shares	% of total shares
At the beginning of the year							
1	Suresh Mansharamani			492600	14.03%	492600	14.03%
2	Uma Mansharamani			224100	6.38%	224100	6.38%
3	Reliable Engineering Pvt Ltd			289600	8.25%	289600	8.25%
4	Veena Balani			2500	0.07%	2500	0.07%
5	Anoop Kumar Gajwani			2500	0.07%	2500	0.07%
6	Beena Jotwani			2500	0.07%	2500	0.07%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer /bonus/ sweat equity etc)						
	Beena Jotwani		Transfer	2,500	0.07%	2,500	0.07%
At the end of the year							
1	Suresh Mansharamani			492600	14.03%	492600	14.03%
2	Uma Mansharamani			224100	6.38%	224100	6.38%
3	Reliable Engineering Pvt Ltd			289600	8.25%	289600	8.25%
4	Veena Balani			2500	0.07%	2500	0.07%
5	Anoop Kumar Gajwani			2500	0.07%	2500	0.07%
6	Deepak Jotwani		Purchase	Nil	Nil	2500	0.07%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the year [As on 31-March-2017]	
		No. of shares	% of total shares	No. of shares	% of total shares
At the beginning of the year					
1	Carnation Commodities Private Limited	633350	18.03	633350	18.03
2	Dev Prasad Sharma	175300	4.99	175300	4.99
3	Scriptech Wealth Management Services Private Limited	175000	4.98	175000	4.98
4	Vidyawati Devi	174700	4.97	174700	4.97
5	Sunit Hirawat	147400	4.2	147400	4.2
6	Hemant Dembla	85000	2.42	85000	2.42
7	Kushal Kumar Lunawat	63100	1.8	63100	1.8
8	Meghna Dembla	60500	1.72	60500	1.72

S. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the year [As on 31-March-2017]	
		No. of shares	% of total shares	No. of shares	% of total shares
9	Harish Chandra Bader	49900	1.42	49900	1.42
10	Pavan Kumar Jaipuria	49100	1.4	49100	1.4
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc)		No Change		
At the end of the year (or on the date of separation, if separated during the year)					
1	Carnation Commodities Private Limited	633350	18.03	633350	18.03
2	Dev Prasad Sharma	175300	4.99	175300	4.99
3	Scriptech Wealth Management Services Private Limited	175000	4.98	175000	4.98
4	Vidyawati Devi	174700	4.97	174700	4.97
5	Sunit Hirawat	147400	4.2	147400	4.2
6	Hemant Dembla	85000	2.42	85000	2.42
7	Kushal Kumar Lunawat	63100	1.8	63100	1.8
8	Meghna Dembla	60500	1.72	60500	1.72
9	Harish Chandra Bader	49900	1.42	49900	1.42
10	Pavan Kumar Jaipuria	49100	1.4	49100	1.4

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and Key Managerial Personnel No. of shares	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the year[As on 31-March-2017]	
		% of total shares	No. of shares	% of total shares	No. of shares
	At the beginning of the year	No Change			
	Date wise Increase /Decrease in Share holding during theyear specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweatequity etc)	None			
	At the end of the year	No change			

V. INDEBTEDNESS

(Amt. Rupees)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	59,728,561.00	-	59,728,561.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	59,728,561.00	-	59,728,561.00
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	59,728,561.00	-	59,728,561.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	59,728,561.00	-	59,728,561.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rupees)
	Name	Pardeep Kumar	
	Designation	Wholetime Director	
1	Gross salary (a) Salary as per provisions contained in section 17(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

S. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rupees)
		Sanehlata Kaim	Priyanka Rana	Sunny Kumar	
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	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

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

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rupees)
		Name	Pardeep Kumar		
		Designation	CEO	CFO	
1	Gross salary (a) Salary as per provisions contained in section 17(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	-	-	-	-

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
B. DIRECTORS					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

**On Behalf of the Board of Directors
For RAHUL MERCHANDISING LIMITED**

Sd/-
Pardeep Kumar
Whole Time Director
DIN: 02940382
Add: 204, Siddhartha Building,
96, Nehru Place, New Delhi- 110019

Sd/-
Snehlata Kaim
Director
DIN: 06882968
Add: 204, Siddhartha Building,
96, Nehru Place, New Delhi- 110019

Date: 19.07.2017
Place: New Delhi

MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Rahul Merchandising Limited
204, Siddhartha Building, 96
Nehru Place, New 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's** 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, 2017** 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 the Company for the financial year ended on **31st March, 2017** 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- **Not applicable during period under review**
- (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 (Listing Obligations & Disclosure Requirements) Regulations, 2015
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable for the period under review**
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable during the period under review**

- (g) 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;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable during the period under review**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not applicable during the period under review**

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

- (i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

1. The Company has not appointed a Whole Time Company Secretary pursuant to Section 203 of the Companies Act, 2013.

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. All appointments of Directors were duly recommended by the Nomination and Remuneration Committee and all appointments/cessation were duly recorded by the Board Meeting made as per the requirements. .
- According to representation given by the management, adequate notices were 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.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

- As informed, the Company has responded appropriately to notices received from various statutory/ regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period there were no events/actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

**For Tanay Ojha,
Company Secretary**

Sd/-

**Tanay Ojha
Company Secretary
Memb. No. : 29658
C P No.: 10790**

**Place: Kanpur
Date: 17.07.2017**

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
204, Siddhartha Building, 96
Nehru Place, New 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 Tanay Ojha,
Company Secretary**

Sd/-

**Tanay Ojha
Company Secretary
Memb. No. : 29658
C P No.: 10790**

**Place: Kanpur
Date: 17.07.2017**

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1	Details of contracts or arrangements or transactions not at Arm's Length basis	
a)	Name(s) of the related party and nature of relationship	None
b)	Nature of contracts/arrangements/ transactions	Not Applicable
c)	Duration of the contracts/ arrangements/ transactions	Not Applicable
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
e)	Justification for entering into such contracts or arrangements or transactions	Not Applicable
f)	Date(s) of approval by the Board	Not Applicable
g)	Amount paid as advances, if any	Not Applicable
h)	Date on which the special resolution was passed in General Meeting as required under first proviso to section 188.	Not Applicable

2	Detail of material contracts or arrangement or transactions at Arm's Length basis	
a)	Name(s) of the related party and nature of relationship	None
b)	Nature of contracts/arrangements /transactions	Not Applicable
c)	Duration of the contracts/arrangements/ transactions	Not Applicable
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable
e)	Date(s) of approval by the Board, if any	Not Applicable
f)	Amount paid as advances, if any	Not Applicable

**On behalf of the Board of Directors
For Rahul Merchandising Limited**

**Date: 19/07/2017
Place: New Delhi**

**Sd/-
Pardeep Kumar
Whole Time Director
DIN: 02940382**

**Sd/-
(Snehlata Kaim)
Director
DIN: 06882968**

**Note: Form shall be signed by the persons who have signed the Board's report.*

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees)

S. No.	Particulars	Details
1.	Name of the subsidiary	None
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	Not Applicable
5.	Reserves & surplus	Not Applicable
6.	Total assets	Not Applicable
7.	Total Liabilities	Not Applicable
8.	Investments	Not Applicable
9.	Turnover	Not Applicable
10.	Profit before taxation	Not Applicable
11.	Provision for taxation	Not Applicable
12.	Profit after taxation	Not Applicable
13.	Proposed Dividend	Not Applicable
14.	% of shareholding	Not Applicable

- Names of subsidiaries which are yet to commence operations : **None**
- Names of subsidiaries which have been liquidated or sold during the year : **None**

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associate/Joint Venture	None
1.	Latest audited Balance Sheet Date	31.03.2017
2.	Shares of Associate/Joint Venture held by the company on the year end	None
	No.	Not Applicable
	Amount of Investment in Associate/Joint Venture	Not Applicable
	Extend of Holding%	Not Applicable
3.	Description of how there is significant influence	Not Applicable
4.	Reason why the associate/joint venture is not consolidated	Not Applicable
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	Not Applicable

6.	Profit/Loss for the year	Not Applicable
	Considered in Consolidation	Not Applicable
	Not Considered in Consolidation	Not Applicable
1.	Names of Associate Companies/Joint Ventures which are yet to commence operations	: None
2.	Names of Associate Companies/Joint Ventures which have been liquidated or sold during the year	: None

**On behalf of the Board of Directors
For Rahul Merchandising Limited**

Sd/-

**Pardeep Kumar
Whole Time Director
DIN: 02940382**

Sd/-

**(Snehlata Kaim)
Director
DIN: 06882968**

**Date: 19/07/2017
Place: New Delhi**

**Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified*

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company is committed to practice good Corporate Governance in all its activities and processes. The Directors' endeavor is to create an environment of fairness, equity and transparency with the underlying objective of securing long-term shareholder value, while, at the same time, respecting the rights of all stakeholders.

The Company adheres to the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations, 2015 or SEBI Regulations) and your management is taking all possible steps to fulfill its commitment in a judicious, fair and transparent manner.

II. BOARD OF DIRECTORS

The Board is entrusted with the ultimate responsibility of management, general affairs, direction and performance of the Company and had been vested with the requisite powers, authorities and duties.

A. Composition and Category of the Board of Directors

As on 31st March 2017, there were **Four** Directors comprising One Executive Director i.e. Whole Time Director and Three Non-Executive Independent Directors.

The Board of Directors appointed **Mr. Sunny Kumar (DIN: 07648718)** as the Additional Director (*Category Independent*) w.e.f. from 11th November, 2016.

Mr. Paras Pant (DIN: 07363774), Additional Director of the Company and **Mr. Himanshu Chandani (DIN: 06735022)**, Director of the company had resigned from the Board w.e.f. 29th June, 2016 and 11th November, 2016, respectively from directorship of the Company due to their personal occupancy.

As on 31st March, 2017, the composition of Board of Directors is in conformity with Regulation 17 of SEBI Regulations, 2015 and the provisions of Companies Act, 2013.

Category and attendance of each of the Directors at the Board Meetings held during 2016 -17 and the last Annual General Meeting is given below:

S. No.	Name	Category	Number of Board Meetings held during the year 2016-2017		Whether attended last AGM held on 26 th September, 2016	No. of Membership/ Chairpersonship in mandatory Committees
			Held	Attended		
1.	Mr. Pardeep Kumar	Executive Director	8	8	Yes	2
2.	Ms. Snehlata Kaim	Non Executive Director (<i>Category Independent</i>)	8	8	Yes	3
3.	Ms. Priyanka Rana	Non Executive Director (<i>Category Independent</i>)	8	8	Yes	3
4.	Mr. Sunny Kumar*	Non Executive Director (<i>Category Independent</i>)	8	1	NA	1
5.	Mr. Paras Pant**	Non Executive Director (<i>Category Independent</i>)	8	3	NA	0
6.	Mr. Himanshu Chandani***	Non Executive Director (<i>Category Independent</i>)	8	7	Yes	0

*Mr. Sunny Kumar had appointed as director w.e.f. 11.11.2016.

**Mr. Paras Pant had resigned from the post of directorship w.e.f. 29.06.2016.

*** Mr. Himanshu Chandani had resigned from the post of directorship w.e.f. 11.11.2016.

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) Rules, 2014.

During the period, the Board of Directors of your Company met **Eight times**. The dates on which the meetings were held are 14.04.2016, 26.05.2016, 29.06.2016, 11.08.2016, 27.08.2016, 01.09.2016, 11.11.2016 and 02.02.2017 and the gap requirement of 120 days between two meetings have been complied with. The necessary quorum was present for all the meetings.

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

The company has also 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.

B. Code of Conduct

The Board has approved the code of conduct for all board members and senior management personnel of the Company. All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

C. Non-Executive Directors Compensation and Disclosures

The Company does not have any pecuniary relationship with any Non-Executive Directors. **No remuneration was given to any of the Non-Executive Director during the financial year 2016-17.**

III. COMMITTEES OF THE BOARD

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 & Remuneration Committee, Stakeholders Relationship Committee and Internal Compliant 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:

A. Audit Committee

- i. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Regulations, 2015 read with Section 177 of Companies Act, 2013.
- ii. The term of reference of the Audit Committee is as per Part C of Schedule II of the SEBI (LODR) Regulations, 2015 and provisions of Companies Act 2013.
- iii. The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings.
- iv. The previous Annual General Meeting (AGM) of the Company was held on 26th September, 2016 and was attended by **Ms. Snehlata Kaim, Chairperson** of the Audit Committee.
- v. The composition of the Audit Committee and the details of meetings attended by its members are given below:

S. No.	Name	Category	No. of Committee Meetings held	No. of Committee Meetings Attended
1.	Snehlata Kaim	Chairperson	4	4
2.	Pardeep Kumar	Member	4	4
3.	Priyanka Rana	Member	4	4

- vi. Four Audit Committee meetings were held during the year 2016-17 on 26.05.2016, 11.08.2016, 11.11.2016 and 02.02.2017
- vii. The necessary quorum was present for all the meetings.
- viii. The role of the **audit committee includes the following:**
 1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
 2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
 3. Approval of payment to statutory auditors for any other services rendered by the statutory auditor;
 4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of fundsraised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 7. Reviewing and monitoring the auditor's independence & performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the listed entity withrelated parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up thereon;

15. Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. 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;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualification, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

ix. The audit committee shall **mandatorily** review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

x. Audit & other duties

1. 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.
2. Discussion with internal auditors of any significant findings and follow up there on.
3. 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.
4. To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
5. To grant approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

B. Stakeholders Relationship Committee (erstwhile Shareholders' Grievance Committee)

- i. Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations, 2015, the Board has constituted Stakeholders' Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders and other security holders. Headed by **Ms. Snehlata Kaim**, the Non-Executive Independent Director.

- ii. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

S. No.	Name	Category	No. of Committee Meetings held	No. of Committee Meetings Attended
1.	Ms. Snehlata Kaim	Chairperson	1	1
2.	Ms. Priyanka Rana	Member	1	1
3.	Mr. Pardeep Kumar	Member	1	1

- iii. One Stakeholders' Relationship Committee meeting was held during the year 2016-17 on **1st March, 2017**. The necessary quorum was present for all the meetings.

iv. Functions and Terms of Reference:

The Committee considers and resolves the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The functioning and broad terms of reference of the Stakeholders' Relationship Committee of the Company are as under:

- To consider and resolve the grievance of security holders of the Company.
- To review important circulars issued by SEBI /Stock Exchanges
- To take note of compliance of Corporate Governance during the quarter/year.
- To approve request for share transfer and transmissions.
- To approve request pertaining to demat of shares/sub-division/consolidation/issue of renewed/ duplicate share certificate etc.

v. Name, designation and address of Compliance Officer:

Name : Pardeep Kumar
 Designation : Whole Time Director
 Address : 204, Siddhartha Building, 96,
 Nehru Place New Delhi- 110019

vi. Details of investor complaints received and redressed during the year 2016-17 are as follows:

No. of Complaints pending as on 1 st April, 2016	No. of Complaints received during the year 2016-17	No. of Complaints resolved during the year	No. of Complaints not resolved during the year to the satisfaction of shareholders	No. of Complaints pending as on 31 st March, 2017
Nil	Nil	NA	NA	NA

C. Nomination & Remuneration Committee

- i. Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board has duly constituted the Nomination & Remuneration Committee, with all members being Non-Executive Directors and Independent Director as Chairperson. The composition of Nomination & Remuneration Committee is as follows:

S. No.	Name	Category	Member/ Chairperson	No. of Meetings held during the year	No. of Meetings Attended
1.	Snehlata Kaim	Non Executive Independent Director	Chairperson	1	1
2.	Pardeep Kumar*	Executive Director	Member (Till 11.11.2016)	1	0
3.	Priyanka Rana	Non Executive Independent Director	Member	1	1
4.	Sunny Kumar*	Non Executive Independent Director	Member (From 11.11.2016)	1	1

* The composition of the Committee was re-constituted on 11th November, 2016.

ii. The terms of reference of the committee are as follows:

- a) Formulation of the criteria for determining qualification, positive attributes and independence of a director and to recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- c) Devising a policy on diversity of board of directors;
- d) 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 of directors their appointment and removal.
- e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The remuneration policy as adopted by the company envisages the 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.

iii. Performance Evaluation Criteria For Independent Directors:

Performance Evaluation Criteria of Board members including Independent Directors as approved by the Board provides:

- a) Each of the director(s) are required to assign the rating on different parameters for the evaluation of board, independent director(s) and committees of the Board of Directors and has to submit the same to the Nomination & Remuneration Committee.
- b) The rating is to be assigned on a scale of five for the purpose of evaluation of performance as under:

Rating Scale	Scale Performance
5	Exceptionally Good
4	Good
3	Satisfactory
2	Needs Improvement
1	Unacceptable

- c) The Nomination & Remuneration Committee shall receive the Evaluation Forms in sealed cover and

summarize the results. The Chairperson of the Nomination & Remuneration Committee may have discussions with individual director where clarification or interpretation is required.

- d) The Chairperson of the NRC shall develop a report on the basis of evaluation rating received. The Committee shall review the result and submit its recommendation for the consideration of Board.
- e) The Board shall review the recommendations of the Nomination & Remuneration Committee and issue necessary directions.

iv. Remuneration of Directors

The remuneration payable to all Directors including Managing Director is decided by the shareholders in the General Meeting. As per the Companies Act, 2013, the Board of Directors of the Company is empowered to determine the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 2013.

None of the Independent Directors were paid any sitting fees during the financial year 2016-17.

The Company had not given any stock options during the year 2016-17.

Except as mentioned in the annual report, there was no pecuniary relationship or transaction with Non-Executive Directors vis-a-vis the Company during the financial year 2016-17.

IV. WHISTLE BLOWER POLICY

The Company has a well defined Whistle Blower Policy for reporting the instances of unethical/ improper conduct and taking suitable steps to investigate and take remedial action. No personnel have been denied access to the Audit Committee. In addition to this, a policy to prevent frauds has also been adopted by the Company for reporting on frauds or suspected frauds, involving employees as well as representatives of vendors, suppliers, contractors, consultants, service providers or any other party doing any type of business with the company. All reports on frauds or suspected frauds are investigated with utmost speed. The mechanism for prevention of frauds is also included in the policy.

During the year 2016-17, no complaint(s) have been reported under Whistle Blower Policy.

V. VIGILMECHANNISM

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Regulation 22 of Listing Regulations, 2015. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or letter to the Chairperson of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website.

The vigil mechanism has provided for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

VI. RISK MANAGEMENT

As per Regulation 21 of SEBI Regulations, 2015, the Company is not required to constitute Risk Management Committee.

VII. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 1st March, 2017, inter alia to discuss the following matters:

- 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.

VIII. FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

- A. Criteria of selection of Non-Executive Directors
 - i. 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.
 - ii. 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.
 - iii. 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.
 - iv. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
- B. Qualification, expertise and experience of Directors in their respective fields;
- C. Personal, Professional or business standing;
- D. 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.

IX. REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES

- I. In determining the remuneration of Senior Management Employees, the Committee shall ensure / consider the following:
 - a) the relationship of remuneration and performance benchmark is clear;
 - b) the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c) the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - d) 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.
- II. The Independent 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.

X. SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company during the financial year under review.

XI. RELATED PARTY TRANSACTIONS:

During the financial year 2016-17, the Company has not entered into any material transaction with any of its

related party. Accordingly, the disclosure of Related Party Transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

XII. PREVENTION OF INSIDER TRADING

Pursuant to SEBI Regulations, 2015 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 which has a bearing on the going concern status of the company.

In accordance with requirement of Companies Act as well as SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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 Chairperson of the Audit Committee of the Company to report any grievance.

Compliance, rules & regulations as laid down by various statutory authorities have 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 that they do not have any material financial or commercial interest in transactions with the company at large.

Compliance with Accounting Standards

In the preparation of financial statements, the Company has followed Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provision of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to Financial Statements.

XIII. GENERAL BODY MEETING

a) Annual General Meeting

The details of last three Annual General Meetings (AGM) of shareholders held were as under:

Financial Year	Day and Date	Location	Time	Any Special Resolution passed
2013-14	13.09.2014	No. 18, Basement NRI Complex, Greater Kailash, Part-VI, Delhi-110019	03:30 P.M.	No
2014-15	30.09.2015	1508-9, Gali No-3, Wazir Nagar, KotlaMubarakpur, New Delhi-110003	11:00 A.M.	Yes
2015-16	26.09.2016	204, Siddhartha Building, 96, Nehru Place, New Delhi- 110019	09:30 A.M.	No

b) No Extraordinary General Meeting of Members was held during the year 2016-17.

c) No Postal Ballot was conducted during the year 2016-17.

XIV. MEANS OF COMMUNICATION

The Company's quarterly financial results in the format prescribed under the SEBI Regulations, 2015, were approved and taken on record by the Board within the prescribed period under the Regulations and were sent to all Stock Exchanges on which the Company's shares are listed.

The quarterly, half-yearly and annual results of the Company are normally published both in Hindi and English national newspapers "The Pioneer".

The Company has not displayed any official news release in any media.

XV. GENERAL SHAREHOLDER INFORMATION

S. No.	Particulars	Information
1.	Annual General Meeting:	
	Day & Date	Tuesday, 5 th September, 2017
	Venue	204, Siddhartha Building, 96 Nehru Place, New Delhi- 110019
2.	Financial year	2016-17
3.	Book Closure	1 st September, 2017 to 5 th September, 2017
4.	Listed on	BSE Limited
5.	Dividend payment date	The Company has not recommended or paid any dividend during the financial year 2016-17

XVI. ANNUAL LISTING FEES

The Company has paid all dues of the Stock Exchange(s) where the shares of the Company are listed including Annual Listing Fees for the financial year 2017-18.

XVII. Statutory Compliance, Penalties and Strictures

The Company has continued to comply with the requirements of the Stock Exchanges, SEBI, and other statutory authorities on all matters relating to the capital market during the last three years. There were no cases of penalties or strictures imposed on the Company by any Stock Exchange or SEBI or any other statutory authorities for any violation related to the Capital market during the last three years which has a bearing on the going concern status of the company.

XVIII. Listing Regulations Compliance

The company complies with all the mandatory requirements of the SEBI (LODR) Regulations, 2015.

XIX. The disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46:

According to the criteria laid down in Regulation 15(2) of the SEBI (LODR) Regulations, 2015, as on the last date of closure of financial year 2016-17, the paid up share capital of the Company was 35,122,500 (i.e. below the stipulated limit of Rs. 10 crores) and net worth was 19,747,514 (i.e. below the stipulated limit of Rs. 25 crores). Accordingly, the Company is not under an obligation to adhere to the requirements of Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

However, in order to follow best practices of corporate governance, the Company has complied with and is committed regularly towards complying with the requirements of the following:

1. The composition of the Board of Directors of the Company is in accordance with the requirements of Regulation 17;
2. The Audit Committee has been constituted in accordance with Regulation 18 with role as mentioned therein read with Part C of Schedule II;
3. Nomination & Remuneration Committee has been constituted in accordance with Regulation 19 read with Part D of Schedule II;
4. Stakeholders' Relationship Committee has been constituted to specifically look into the mechanism of

redressal of grievances of shareholders, debenture holders and other security holders with role as mentioned in Part D of Schedule II;

5. Vigil Mechanism has been adopted by the Company pursuant to Regulation 22 of the Listing Regulations, 2015.

XX. Outstanding DRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

As on date, there are no outstanding warrants /bonds/ other instruments having an impact on equity.

XXI. Disclosure of commodity price risks, foreign exchange risks and hedging activities:

The Company is not exposed to any foreign exchange risk or commodity price risks and therefore, is not involved in commodity hedging activities.

XXII. STOCKEXCHANGE CODE

Stock Exchange	Scrip Code/Symbol
BSE Limited	531887/RAHME

XXIII. Market price data- high, low during each month in last financial year and performance in comparison to broad-based indices:

The shares of the Company are not being traded currently. Therefore, market price data is not available for the financial year 2016-17.

XXIV. REGISTRAR& SHARE TRANSFER AGENT

The details of Registrar & Share Transfer Agent of the Company are as follows:

Skyline Financial Services Pvt. Ltd.

D-153A, First Floor, Okhla
Industrial Area, Phase-1,
New Delhi- 110020

XXV. SHARE TRANSFER SYSTEM

The share transfer system consists of activities like receipt of shares along with transfer deed from transferees, its verification, preparation of Memorandum of Transfers, etc. Share transfers are approved/ratified by the Stakeholders' Relationship Committee. Share transfer activities are being carried out by **Skyline Financial Services Pvt. Ltd.**, being Share Transfer Agent of the Company.

Pursuant to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half yearly basis from Practicing Company Secretary confirming due compliance of share transfer formalities by the Company through its share transfer agent have been submitted to stock exchange(s) within the one month from the end of half financial year.

XXVI. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017:

Shareholding of Nominal value of Rs. 10/-	No. of Shareholders	% of Shareholders	No. of Shares held	Amount	% to total
Up to 5000	923	82.48	1250050	12500500	3.56
5001-10000	69	6.17	612000	6120000	1.74
10001-20000	37	3.31	620330	6203300	1.77
20001-30000	32	2.86	784000	7840000	2.23

Shareholding of Nominal value of Rs. 10/-	No. of Shareholders	% of Shareholders	No. of Shares held	Amount	% to total
30001-40000	12	1.07	433000	4330000	1.23
40001-50000	7	0.63	330000	3300000	0.94
50001-100000	9	0.8	658000	6580000	1.87
100001 & above	30	2.68	30435120	304351200	86.65
Total	1119	100	35122500	35,12,25,000	100

Categories of Equity shareholders as on March 31, 2017

	Category	No. of Shares	% of Holding
1.	Promoters Holding		
	i. Promoters		
	- Indian Promoters	1013800	28.86
	- Foreign Promoters	-	-
	ii. -Persons acting in concert	-	-
	Sub Total	1013800	28.86
2.	Non Promoters Holding		
	i. Institutional Investor	-	-
	ii. Mutual Fund and UTI	300	0.01
	iii. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	400	0.01
	iv. FII's	-	-
	Sub Total	700	0.02
3.	Others		
	i. Corporate Bodies	819784	23.34
	ii. Indian Public	1643265	46.79
	iii. NRI's/OCB's	4200	0.12
	iv. Resident Indian HUF	30501	0.87
	v. Any Other (HUF/Firm/Foreign Companies) Clearing Member		
	Sub Total	2497750	71.12
	Grand Total	3512250	100

XXVII. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The shares of the Company are in the compulsory dematerialized segment and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Share Capital Audit Report regarding reconciliation of the total issued, listed and capital held by depositories in a dematerialized form with respect to the Equity Share Capital of the Company was obtained from the Practicing Company Secretary for each quarter during the year and submitted to the Stock Exchanges within the stipulated time.

Number of shares held in dematerialized and physical mode as on 31st March 2017.

Particulars	Total Shares	% to Equity
Shares in dematerialized form with NSDL	1395866	39.74
Shares in dematerialized form with CDSL	1009184	28.73
Physical	1107200	31.53
Total	3512250	100

ISIN of the Company : INE149D01011

The names and addresses of the depositories are as under:

1. National Securities Depository Limited

Trade World, A-Wing, 4th & 5th Floors,
Kamala Mills Compound,
SenapatiBapatMarg,
Lower Parel, Mumbai - 400 013

2. Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers,
17th Floor, Dalal Street, Fort, Mumbai - 400 001

XXVIII. Company Details:

Registered Office	204, Siddhartha Building, 96, Nehru Place, New Delhi -110019
Plant Location	204, Siddhartha Building, 96, Nehru Place, New Delhi -110019
Address for communication	204, Siddhartha Building, 96, Nehru Place, New Delhi -110019

The phone numbers and e-mail addresses for communication are given below:

Particulars	Telephone Number	Fax No.
Registered Office: 204, Siddhartha Building, 96, Nehru Place New Delhi -110019	011-26212295	–

As per Circular of the Securities & Exchange Board of India dated 22.01.2007, exclusive e-mail address for redressal of Investor Complaints is rahulmerchandising@gmail.com.

**On behalf of Board of Directors
For RAHUL MERCHANDISING LIMITED**

Sd/-

**Date: 19.07.2017
Place: New Delhi**

**Pardeep Kumar
Whole Time Director**

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

*(In terms of Regulation 34(3) and Schedule V (E) of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,
The Members,
Rahul Merchandising Limited

We have examined the report of Corporate Governance presented by the Board of Directors of **Rahul Merchandising Limited** for the year ended 31st March, 2017 as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the same.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring 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 according to the information and explanation given to us, the Company has taken required steps to comply with the conditions of corporate governance, to the extent applicable and as stipulated in the aforesaid SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that no investor grievance is pending for the period exceeding one month against the Company as per records maintained by the Stakeholders' Relationship Committee together with the status of Investor Grievance as on SEBI SCORES Portal.

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

**For M/s Jagdish Sapra & Co.
Chartered Accountants**

**Sd/-
(Vipal Kalra)
Partner
Membership No. 084583**

Date: 19/07/2017
Place: New Delhi

CEO/CFO CERTIFICATION

I, **Pardeep Kumar**, being CFO, of **Rahul Merchandising Limited**, do hereby confirm and certify that:

1. I have reviewed the financial statements and the cash flow statement for the financial year and that to the best of my knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. there are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
3. I accept responsibility for establishing and maintaining internal control for financial reporting and have evaluated the effectiveness of internal control system of the listed entity pertaining to financial reporting and have disclosed to the auditor along with the audit committee, deficiencies in the design or operation of such internal control(s), if any, of which I am aware and the steps I have taken or proposed to take to rectify these deficiencies.
4. during the year under reference:
 - a. there were no significant changes in internal control system over financial reporting;
 - b. there were no significant changes in accounting policies and that the same have been disclosed in the notes to the financial statements; and
 - c. there were no instance(s) of significant fraud involved therein, if any, of which the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Rahul Merchandising Limited

Sd/-

Pardeep Kumar
Chief Financial Officer

COMPLIANCE WITH CODE OF CONDUCT

I, **Pardeep Kumar, Whole Time Director** of the Company hereby certify that all the Directors have affirmed compliance with the code of the conduct of the company for the financial year ended on March 31, 2017.

Sd/-

Pardeep Kumar
Whole Time Director

Date: 19/07/2017
Place: New Delhi

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.

TEXTILE INDUSTRY IN INDIA- STRUCTURE AND DEVELOPMENT

India’s textile sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India’s exports. The textile industry is also labor intensive and is one of the largest employer. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

India was the largest producer of cotton in 2016-17. India accounts for good percentage of the world’s production of textile fibres & yarns (largest producer of jute, 2nd largest producer of silk & cotton; & 3rd largest in cellulosic fibre). Fabric production in the country rose to millions in FY -2017. The industry is the second largest employer after agriculture, providing employment to over millions of people directly and indirectly. The Indian Textile Industry contributes a good percentage to India’s Gross Domestic Product (GDP), and overall Index of Industrial Production (IIP).

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a vital role through its contribution to industrial output, employment generation, and the export earnings of the Country.

OPPORTUNITIES

The most significant change in the Indian textile industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. The future outlook for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade.

Opportunities available to the Company in the present scenario, which can be seized for the benefit of the Company and ultimately to the stakeholders, can be summarized as under:

1. As of November 2016, the government has extended the duty drawback facility on all textile products & increased the rates in some cases for 1 year to boost exports in the sector.
2. In the Union budget, a good amount has been allocated to the Ministry of Textiles in order to support various schemes covering the textile industry.
3. India’s home textile industry is expected to expand at a Compound Annual Growth Rate (CAGR) Indian home textile industry (USD billion) of 8.3 per cent during 2014–21 to USD 8.2 billion in 2021 from USD 4.7 billion in 2014.
4. Capacity built over years has led to low cost of production per unit in India’s textile industry; this has lent a strong competitive advantage to the country’s textile exporters relative to key global peers.
5. India’s growing population has been a key driver of textile consumption growth in the country.
6. The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand
7. The sector is expected to reach USD226 billion by FY-2023

8. Population is expected to reach to 1.34 billion by FY-2019
9. Urbanization is expected to support higher growth due to change in fashion & trends.

Some of initiatives taken by government to further promote the industry are as under:

1. Subsidies on machinery and infrastructure:
 - a) The Revised Restructured Technology Upgradation Fund Scheme (RRTUFS) covers manufacturing of major machinery for technical textiles for 5 per cent interest reimbursement and 10 per cent capital subsidy in addition to 5 per cent interest reimbursement also provided to the specified technical textile machinery under RRTUFS.
 - b) Under the Scheme for Integrated Textile Parks (SITP), the Government of India provides assistance for creation of infrastructure in the parks to the extent of 40 per cent with a limit up to Rs 40 crore (US\$ 6 million). Under this scheme the technical textile units can also avail its benefits.
 - c) The major machinery for production of technical textiles receives a concessional customs duty list of 5 per cent.

THREATS

Based on review of the textile market situation and level of rivalry present in the domestic market, following threats might be present in the market, which can hinder growth of the revenue of the Company:

1. Intense competition between established brands and private label brands.
2. 100 per cent FDI (automatic route) is allowed in the Indian textile sector.
3. Low cost substitute products from countries like Pakistan and Bangladesh.
4. Significant presence of small suppliers has reduced the bargaining power.
5. Major clothing brands have better bargaining power over textile manufacturers, as the product differentiation is low and number of players are high and fragmented.

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.

INTERNAL CONTROL SYSTEM

Given the magnitude and nature of its business, the Company has maintained sound and commercial practice with an effective internal control system. The system ensures that all transactions are authorized, recorded and reported correctly to safeguard the assets of the Company and protect them from any loss due to unauthorized use or disposition. The adequate internal information system is in place to ensure proper information flow for the decision-making process. The Company also has well-established processes and clearly defined roles and responsibilities for people at various levels. The control mechanism also involves well documented policies, authorization guidelines commensurate with the level of responsibility and standard operating procedures specific to the respective businesses, adherence to which is strictly ensured. Internal audit is carried out frequently to create awareness and to take corrective actions on the respective units or areas, which need rectification. These reports are then reviewed by the management team and the Audit Committee for follow-up action.

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.

CAUTIONARY STATEMENT

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.

**For and on behalf of the Board of Directors
Rahul Merchandising Limited**

Sd/-

Pardeep Kumar
Whole Time Director

Date: 19/07/2017

Place: Delhi

INDEPENDENT AUDITORS' REPORT

To the Members of
Rahul Merchandising Limited
Report on the Financial Statements

We have audited the accompanying financial statements of Rahul Merchandising Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 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 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 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. 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2017 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, 2016 ("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 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) In our opinion, the Company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls were working effectively as at March, 31 2017 based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.
 - g) 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 in Note 15- Contingent Liabilities of its financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) No amounts are required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that disclosures are in accordation with books of account maintained by the company and as produced to us by the management - **Refer Note**

**For Jagdish Sapra & Co.LLP
Chartered Accountants
Firm Registration No.001378N/N500037**

Sd/-

**CA Vipal Kumar Kalra
Partner
Membership No. 084583**

Place : New Delhi
Date : 30.05.20127

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 does not have any fixed assets. Hence the provisions of clauses 3(i)(a), (i)(b) and (i)(c) of the Order are not applicable.
- ii. The Company does not hold any inventories. Hence the provisions of clause 3(ii) of the Order are not applicable.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties 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), (iii)(b) and (iii)(c) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities to which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- v. As per information and explanations given to us, the Company has not accepted any deposits from the public, and hence the provisions of clause 3 (v) of the Order are not applicable.
- vi. In our opinion and according to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under Section 148 (1) of The Companies Act, 2013.
- 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, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and other statutory dues with the appropriate authorities during the year to the extent applicable. 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, service tax, duty of custom, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:-

Nature of dues	Amount (Rs. Lakhs)	Period to which amount relates	Forum where the dispute is pending
Income Tax	0.01	2005-06 & 2007-08	Income Tax Appellate Tribunal
Income Tax	0.04	2010-11	Asstt. Commissioner of Income Tax

- viii. According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company does not owe any dues to banks, financial institutions and Government. The Company has not obtained any borrowings by way of debentures.
- 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 raised any term loans. The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments).
- x. 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 by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, since no managerial remuneration has been paid or provided during the year, the provisions of clause 3(xi) of the Order are not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

- xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable and details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year review.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Jagdish Sapra & Co.LLP
Chartered Accountants
Firm Registration No. 001378N/N500037**

Sd/-

**CA Vipal Kumar Kalra
Partner
Membership No. 084583**

Place: New Delhi
Date: 30.05.2017

**RAHUL MERCHANDISING LIMITED
BALANCE SHEET AS AT 31.03.2017**

	NOTE	As at 31.03.2017	[Rupees] As at 31.03.2016
I EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
(a) Share capital	2	35122500	35122500
(b) Reserves and surplus	3	(15374986)	(15374798)
		19747514	19747702
2 CURRENT LIABILITIES			
(a) Short-term borrowings	4	59728561	59728561
(b) Trade payables	5	333479	289328
		60062040	60017889
	TOTAL	79809554	79765591
II ASSETS			
1 CURRENT ASSETS			
(a) Trade receivables	6	79745216	79745216
(b) Cash and cash equivalents	7	49477	5514
(c) Short term loan & advances	8	14861	14861
		79809554	79765591
	TOTAL	79809554	79765591

SIGNIFICANT ACCOUNTING POLICIES

1

0

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

**In terms of our report attached
For JAGDISH SAPRA & CO LLP
Chartered Accountants
(Firm Registration No. 001378N/N500037)**

**For & on behalf of the board
Rahul Merchandising Limited**

Partner

sd/-
(Pardeep Kumar)
Whole Time Director & CFO
DIN: 02940382

sd/-
(Snehlata Kaim)
Director
DIN:06882968

Place: Delhi
Dated: 30.05.2017

**RAHUL MERCHANDISING LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2017**

	NOTE	Year Ended 31.03.2017	[Rupees] Year Ended 31.03.2016
I Income from operations	9	306000	52000
II Total Revenue		306000	52000
III EXPENSES:			
Other expenses	10	306188	329600
Total expenses		306188	329600
IV Profit /(Loss) for the year (II-III)		(188)	(277600)
V Earning per equity share:	19		
a Basic		(0.00)	(0.08)
b Diluted		(0.00)	(0.08)

SIGNIFICANT ACCOUNTING POLICIES 1

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

In terms of our report attached
For JAGDISH SAPRA & CO LLP
Chartered Accountants
(Firm Registration No. 001378N/N500037)

For & on behalf of the board
Rahul Merchandising Limited

Partner

sd/-
(Pardeep Kumar)
Whole Time Director & CFO
DIN: 02940382

sd/-
(Snehlata Kaim)
Director
DIN:06882968

Place: Delhi
Dated: 30.05.2017

CASH FLOW STATEMENT

In Rupees

	2016-17	2015-16	
(A) CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/ (Loss) before tax	(188)	(277600)	
Adjustment for :			
Taxes paid	0	0	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(188)	(277600)	
(Increase)/ Decrease in Sundry Debtors	0	0	
Decrease/(Increase) in Other Receivables	0	0	
(Decrease)/ Increase in Payables	44151	256730	
NET CASH FROM OPERATING ACTIVITIES	43963	(20870)	
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed assets	0	0	
Proceeds from sale of Fixed Assets	0	0	
NET CASH USED IN INVESTING ACTIVITIES	0	0	
(C) CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds of short term borrowings	0	0	
NET CASH USED IN FINANCING ACTIVITIES	0	0	
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	43963	(20870)	
CASH AND CASH EQUIVALENTS AS AT OPENING	5514	26384	
CASH AND CASH EQUIVALENTS AS AT CLOSING	49477	5514	

NOTES:

1. 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.
2. Figures in Brackets represent outflows.
3. Previous year figures have been restated wherever necessary.

In terms of our report attached

For JAGDISH SAPRA & Co LLP
Chartered Accountants

(Firm Registration No. 001378N/N500037)
(CA Vipal Kumar Kalra)

Partner
M.NO. 084583

sd/-
(Pardeep Kumar)
Whole Time Director & CFO
DIN: 02940382

For & on behalf of the board
Rahul Merchandising Limited

sd/-
(Snehlata Kaim)
Director
DIN:06882968

Place: New Delhi
Dated: 30.05.2017

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 and on going concern basis as the management is hopeful of recovery of debtors in the coming year and after recovery will restart the business of the company.

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**

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.

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.

[Rupees]

	AS AT 31.03.2017	AS AT 31.03.2016
2 SHARE CAPITAL:		
AUTHORISED:		
80,00,000 Equity Shares of Rs. 10/- each	80000000	80000000
2,00,000 Preference Shares of Rs. 100/- each	20000000	20000000
	100000000	100000000
ISSUED, SUBSCRIBED AND PAID UP		
35,12,250(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
	35122500	35122500

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, 2017		As at 31st March, 2016	
	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 the reporting period is given below:

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	Amount	No. of shares	Amount
EQUITY SHARES				
Number of shares at the beginning	3512250	35122500	3512250	35122500
Changes during the year	0	0	0	0
Number of shares at the end	3512250	35122500	3512250	35122500

3 RESERVES & SURPLUS:

Debit Balance in Statement of Profit and Loss;

As per last Balance Sheet	(15374798)	(15097198)
Add: Net Profit /(Loss) after tax transferred from Statement of Profit & Loss	(188)	(277600)
	(15374986)	(15374798)

	AS AT 31.03.2017	[Rupees] AS AT 31.03.2016
4 SHORT TERM BORROWINGS:		
Loans from related parties-Unsecured	59728561	59728561
	59728561	59728561
5 TRADE PAYABLES:		
Sundry creditors:		
- Micro, Small and Medium Enterprises (Refer Note 17)	0	0
- Others	333479	289328
	333479	289328
6 TRADE RECEIVABLES:		
Unsecured, Considered good:		
Over Six months	79745216	79745216
Others	0	0
	79745216	79745216
7 CASH AND CASH EQUIVALENTS :		
(a) Balances with Banks:		
In Current accounts	2983	4874
(b) Cash on hand (as certified)	46494	640
	49477	5514
8 SHORT TERM LOAN & ADVANCES:		
Mat credit entitlement	14861	14861
	14861	14861
9 INCOME FROM OPERATIONS		
Commission	306000	52000
	306000	52000
10 OTHER EXPENSES:		
<u>Payment to the auditors:</u>		
As Auditor	23000	22900
Membership & Subscription	260113	244425
Miscellaneous expenses	23075	62275
	306188	329600

NOTES TO THE ACCOUNTS

11. Contingent Liabilities for :

Claims against the company not acknowledged as debts Rs 4891/- (Rs4891/-) disputed income tax demand contested by the company.

12. 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.
13. Loans given, some of the Current Liabilities, Sundry Debtors and Advances are subject to confirmation/ reconciliation.
14. There are no separate reportable segments as per Accounting Standard (AS)-17 dealing with 'Segment Reporting.'
15. The company has assessed its assets for impairment and concluded that there are no impairment losses.
16. Deferred tax asset, if any, is not recognized on the basis of prudence.
17. There are no dues to Micro, Small & Medium Enterprises.
18. 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.

	As at 31.03.2017	As at 31.03.2016
	(Rs.)	(Rs.)
– Profit/(Loss) after tax as per Profit & Loss Account (A)	(188)	(277600)
– Basic/Weighted Average Number of Equity Shares outstanding (B)	3512250	3512250
– Nominal value of equity shares	Rs. 10/- each	Rs. 10/- each
– Basic/Diluted Earnings per share (A)/(B)	(0.00)	(0.06)

20. Additional Information as required by part II of schedule III of the Companies Act, 2013:

	Year ended 31.3.2017	Year ended 31.3.2016
	Rs.	Rs.
i) C I F value of imports	NIL	NIL
ii) Expenditure in foreign currency	NIL	NIL
iii) Earning in Foreign Exchange	NIL	NIL

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

21. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 :

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	7640	7640
(+) Withdrawal from Bank accounts	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	7640	7640

22. Previous year figures have been regrouped/rearranged to make them comparable with those of current year.
23. Notes 1 to 23 form an integral part of Balance Sheet & Statement of Profit & Loss and have been duly authenticated.

For JAGDISH SAPRA & Co LLP
Chartered Accountants

(Firm Registration No. 001378N/N500037)
(CA Vipal Kumar Kalra)

Partner
M.NO. 084583

For & on behalf of the board
Rahul Merchandising Limited

sd/-
(Pardeep Kumar)
Whole Time Director & CFO
DIN: 02940382

sd/-
(Snehlata Kaim)
Director
DIN:06882968

Place: New Delhi
Dated: 30.05.2017

RAHUL MERCHANDISING LIMITED

CIN-L74899DL1993PLC052461

Regd. Office- 204, Siddhartha Building, 96, Nehru Place, New Delhi-110019

Tel: 011-26212295, Website: www.rahulmerchandising.com

Email: rahulmerchandising@gmail.com

PROXY FORM

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN L74899DL1993PLC052461
 Name of the Company RAHUL MERCHANDISING LIMITED
 Registered Office 204, Siddhartha Building,
 96, Nehru Place, New Delhi- 110019

Name of the Member(s)	
Registered address	
E-mail I. d.	
Folio no./Client Id*	
DP ID	

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

- 1 Name
 Address

 E-Mail I.D.
 Signature or failing him
- 2 Name
 Address

 E-Mail I.D.
 Signature or failing him
- 3 Name
 Address

 E-Mail I.D.
 Signature

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on **Tuesday, 5th September, 2017 at 10:00 A.M.** at the Registered Office of the company at 204, Siddhartha Building, 96, Nehru Place, New Delhi-110019 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution	For	Against
1	To receive, consider and adopt the Audited financial statements of the Company for the financial year ended 31 st March, 2017, the reports of the Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. Pardeep Kumar (DIN: 02940382) , who retires by rotation.		
3	Appointment of Statutory Auditor of the Company		
4	Appointment of Mr. Sunny Kumar (DIN: 7648718) as an Independent Director.		
5	Adoption of New Set of Articles of Association.		
6.	Adoption of New Set of Memorandum of Association.		

Signed this day of 2017.

Affix Revenue
Stamp
of Rs. 1/-

Signature of Shareholder

Signature of Proxy holder(s)

Notes:

- (1) *This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.*
- (2) *For the resolutions, statement setting out material facts, notes and instructions please refer to the notice of Annual General Meeting.*
- (3) *Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.*
- (4) *In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.*

Please complete all details including details of member(s) and proxy(ies) in the above box before submission.

RAHUL MERCHANDISING LIMITED

CIN-L74899DL1993PLC052461

Regd. Office-204, Siddhartha Building, 96, Nehru Place, New Delhi-110019

Tel: 011-26212295, Website: www.rahulmerchandising.com

Email: rahulmerchandising@gmail.com

FORM NO. MGT-12

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

BALLOT PAPER

24thAnnual General Meeting of the members of Rahul Merchandising Limited to be held on **Tuesday, 5th September, 2017 at 10:00 A.M.** at Registered office of the company situated at 204, Siddhartha Building, 96, Nehru Place, New Delhi-110019

Name of First Named Shareholder
(In Block Letters)

.....

Postal Address

.....

.....

Folio No./DP ID & Client ID

.....

.....

No. of Shares held

.....

Class of Shares

.....

I hereby exercise my vote in respect of Ordinary/ Special Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

S. No.	Brief of Resolutions	In favor of Resolutions	Against the Resolutions
1.	To receive, consider and adopt the Audited financial statements of the Company for the financial year ended 31 st March, 2017, the reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mr. Pardeep Kumar (DIN: 02940382) , who retires by rotation.		
3.	Appointment of Statutory Auditor of the Company		
4.	Appointment of Mr. Sunny Kumar (DIN: 7648718) as an Independent Director.		
5.	Adoption of New Set of Articles of Association.		
6.	Adoption of New Set of Memorandum of Association.		

Date :

Place :

Signature of Shareholder

** Please tick in the appropriate column*

RAHUL MERCHANDISING LIMITED

CIN- L74899DL1993PLC052461

Regd. Office- 204, Siddhartha Building, 96, Nehru Place, New Delhi-110019

Tel: 011-26212295, Website: www.rahulmerchandising.com

Email: rahulmerchandising@gmail.com

ATTENDANCE SLIP

24th Annual General Meeting, on Tuesday, 5th September, 2017 at 10:00 A.M.

Name of the Member
(In Block Letters)

Folio No./DP ID & Client ID

No. of Shares held

Name of Proxy

(To be filled in, if the proxy attends instead of the member)

I, hereby certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the **24th Annual General Meeting** of the Company on **Tuesday, 5th September, 2017 at 10:00 A.M. at 204, Siddhartha Building, 96, Nehru Place, New Delhi-110019.**

Member's /Proxy's Signature

Note:

- 1) *Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be distributed at the meeting venue.*

RAHUL MERCHANDISING LIMITED

CIN-L74899DL1993PLC052461

Regd. Office- 204, Siddhartha Building, 96, Nehru Place, New Delhi-110019

Tel: 011-26212295, Website: www.rahulmerchandising.com

Email: rahulmerchandising@gmail.com

GREEN INITIATIVE IN CORPORATE GOVERNANCE

E-COMMUNICATION REGISTRATION FORM

(In terms of Section 20 of the Companies Act, 2013)

Folio No. / DP ID & Client ID :

.....

.....

Name of 1st Registered Holder :

Name(s) of Joint Holder(s) :

.....

Registered Address :

.....

Email ID (to be registered) :

I/We shareholder(s) of **Rahul Merchandising Limited** agree to receive communication from the Company in electronic mode under relevant provisions of the Companies Act, 2013. Please register my above e-mail in your records for sending communication through mail.

Signature:- _____
(First Holder)

Date: _____

***Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.**

ROUTE MAP



If undelivered please return to:
RAHUL MERCHANDISING LIMITED
204, Siddhartha Building,
96, Nehru Place, New Delhi- 110019