

**RAHUL  
MERCHANDISING LIMITED**

**20<sup>th</sup>  
ANNUAL REPORT  
2012 - 13**

## **BOARD OF DIRECTORS**

Mr. Suresh Mansharamani	Chairman
Mr. Pardeep Kumar	Director and Compliance Officer
Mr. Rahul Mansharamani	Director
Mr. Amarendra Kumar Singh	Director

## **AUDITORS**

JAGDISH SAPRA & CO.,  
Chartered Accountants  
23, Prakash Apartments,  
5, Ansari Road, Darya Ganj,  
New Delhi- 110002

## **REGISTERED OFFICE**

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

## **REGISTRAR AND TRANSFER AGENT**

Alankit Assignments Limited,  
RTA Division, Alankit House,  
2E/21, Jhandewalan Extension,  
New Delhi - 110055(India)  
Ph.: 91-11-42541234, 23541234,  
e-mail: rta@alankit.com

## **Listed at:**

BSE Limited  
Jaipur Stock Exchange

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**NOTICE**

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of **RAHUL MERCHANDISING LIMITED** is scheduled to be held on Thursday, 26th day of September, 2013 at Registered Office of the Company at No. 18, Basement, NRI Complex, Greater Kailash, Part-IV, Delhi-110019 at 10:00 A.M. to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the period ended on that date together with Auditors' and Directors' Report thereon.
2. To consider and to appoint a Director in place of Mr. Amarendra Kumar Singh who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and appoint Auditors M/S. JAGDISH SAPRA & CO., CHARTERED ACCOUNTANTS, New Delhi who retire at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment and will hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of next AGM of the Company and to fix their remuneration.

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

Sd/-

**Suresh Mansharamani  
Chairman**

**Date : 03.09.2013**

**Place : New Delhi**

**NOTES:**

1. **A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ONLY AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **IN ORDER TO BE EFFECTIVE, PROXY FORMS DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
3. The Register of members and share transfer books of the Company will remain closed from September 24, 2013 to September 26, 2013 (both days inclusive).
4. As a measure of economy, copies of the Annual Report and accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the meeting.
5. Members are requested to produce the attendance slip duly signed, sent along with the annual report and accounts, for admission to the meeting hall.
6. Members who are holding share in identical order or names in more than one folio are requested to write to the Company to enable the company to consolidate their holding in one folio.
7. Any member requiring further information on accounts at the meeting is requested to send their queries in writing to the Managing Director of the Company at least seven days before the AGM.
8. Shareholders may kindly note that no gifts/coupons will be distributed at the Annual General Meeting.
9. All the documents referred to in the accompanying notice, explanatory statement and the register of Directors shareholding and the register of Contracts maintained under section 307 and 301 of the Companies act, 1956 respectively are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
10. All members are requested to make their correspondence relating to the shares in physical and demat to our Share Transfer Agent i.e. Alankit Assignments Limited at its office at RTA Division, Alankit House, 2E/21, Jhandewalan Extension, New Delhi -110055.

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

Sd/-

**Suresh Mansharamani  
Chairman**

**Date : 03.09.2013**

**Place : New Delhi**

**DIRECTOR'S REPORT**

The Members,

The Board of Directors of **RAHUL MERCHANDISING LIMITED** has the pleasure in presenting the Director's Report with Audited Annual Accounts for the year ended on 31st March, 2013.

**FINANCIAL HIGHLIGHTS****In (Rs.)**

<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
Total Income	201,093	576,725
Total Expenditure	1,299,087	721,071
Profits/(Loss) before interest, Depreciation and Tax	(1097994)	(144,346)
Interest and Financial Charges	Nil	Nil
Profits/(Loss) before Depreciation and Tax	(1097994)	(144,346)
Depreciation	Nil	Nil
Net Profits/(Loss) before Tax	(1097994)	(144,346)
Tax Provision	3091937	Nil
Net Profits/(Loss)	(4189931)	(144,346)

**CORPORATE OVERVIEW**

With the growing competition and aggressive pricing policies, the company with not so good liquidity position has not been able to make any substantial turnover resulting in subdued performance. During the year under review, Company has incurred losses to the tune of Rs. 4189931.

**REVIEW OF OPERATIONS**

The Company has made a loss during the year. The Company is hopeful of Maintaining and improving its position in the future.

**FUTURE PROSPECTS**

Your Board of Directors anticipates a better future in the years to come and has been putting in best of its efforts to bring the Company into operation to achieve the positive performance. Though there are tough challenges ahead, your Board is very confident that the better future with positive results is soon to come.

**DIVIDEND**

Since Company has incurred losses during the financial year, Board of Directors has not recommended the payment of any dividend for the year.

**MATERIAL CHANGE**

There was no material change affecting the financial position of the Company between the date of balance sheet and the date of this report.

**PUBLIC DEPOSITS**

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

**CORPORATE GOVERNANCE**

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

**AUDITORS**

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

**COMMENT ON AUDITOR'S REPORT**

Auditor's Report and Notes to the accounts on the annual account of the Company for the year ended 31st March, 2013 are self explanatory and do not require any further comment under section 217(3) of the Companies Act, 1956.

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

The Company has no employee who has been drawing remuneration beyond the prescribed limit in terms of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended in 2011.

**COMPLIANCE CERTIFICATE**

The Company has obtained the Compliance Certificate from Nishi Talwar & Associates, Company Secretary in Practice, as required under Section 383A of the Companies Act, 1956.

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

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

**I. CONSERVATION OF ENERGY**

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

**II. TECHNOLOGY ABSORPTION:**

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

**III. FOREIGN EXCHANGE EARNING AND OUTGOING**

- |                             |   |     |
|-----------------------------|---|-----|
| 1. Foreign Exchange Earning | : | NIL |
| 2. Foreign Exchange Outflow | : | NIL |

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. That in the preparation of the accounts for the Financial Year ended on 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;

## **RAHUL MERCHANDISING LIMITED**

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2. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and of profit or loss of the Company for the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the Financial Year ended on 31st March, 2013 on a going concern basis.

### **ACKNOWLEDGEMENT**

The Board of Directors wish to place on record their sincere appreciation for wholehearted contribution and co-operation extended by the Bankers, customers, employees, Shareholders, Government, Semi Government Authorities etc. during the Financial Year ending on 31.03.2013 to our Company.

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

Sd/-

**Suresh Mansharamani**  
**CHAIRMAN**

**Date: 03.09.2013**  
**Place: New Delhi**

**COMPLIANCE CERTIFICATE**

**CIN** : L74899DL1993PLC052461  
**Authorized Capital** : Rs. 1,00,000,000  
**Paid up Capital** : Rs. 35,122,500

To,  
The Members,  
**M/s. RAHUL MERCHANDISING LIMITED,**  
No 18, Basement, NRI Complex,  
Greater Kailash, Part IV,  
New Delhi - 110019

We have examined the registers, records, books and papers of Rahul Merchandising Limited maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2013. In our opinion and to the best of our information and according to the examination carried out by us and the explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this Certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies/Regional Director/Central Government/CLB or other authorities as required under the Act and the rules made there under.
3. The Company, being a public limited company, comments are not required, as applicable to Private companies, in respect of number of members, deposits etc.
4. The Board of Directors duly met (5) times on 30/05/2012, 19/06/2012, 13/08/2012, 08/11/2012, 08/02/2013 in respect of which proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose.
5. The Company has closed its Register of Members and Register of Share Transfer from 27th September, 2012 to 29th September, 2012 (both days inclusive) for the purpose of Annual General Meeting held on September 29, 2012.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 29th September, 2012 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year 2012-2013.
8. The company has not advanced any loans to its Directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contract falling within the purview of section 297 of the Act during the financial year.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, hence the approval from the Board of Directors, Members or Central Government was not required under above section of the Act.
12. The company has not issued any duplicate Shares Certificate during the financial year.
13. The Company has:
  - (i) Delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act. There was no allotment of securities during the financial year;
  - (ii) declared no dividend including interim dividend, hence no amount is required to be deposited in a separate bank a/c;
  - (iii) no liability to pay/post warrant for dividend to all the members within 30 days from the date of declaration as it has not declared any dividend that it has no unclaimed/unpaid dividend which are required to be transferred to Unpaid Dividend Account of the Company with its bank;

## RAHUL MERCHANDISING LIMITED

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- (iv) no amount is outstanding in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of 7 years, hence nothing is required to be transferred to Investor Education and Protection Fund;
- (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional director & no appointment of alternate directors and directors to fill casual vacancy during the financial year. There was no resignation of directors during the financial year.
  15. The company has not appointed any Managing Director/Whole-time Director/ Manager during the financial year.
  16. The company has not appointed any Sole- Selling Agents during the financial year.
  17. The Company has not obtained any approvals of the Central Government, CLB, Regional Director, ROC and/or such other authorities as may be prescribed under the various provisions of the Act during the Financial Year.
  18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act, and the Rules made thereunder.
  19. The company has not issued any shares, debentures or other securities during the financial year.
  20. The company has not bought back shares during the financial year.
  21. The Company has not issued any preference shares or debentures hence the redemption clause is not applicable.
  22. That there were no such instances where the company was required to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  23. The company has not invited or accepted any deposits including any unsecured loan falling within the purview of section 58A of the Act, during the financial year.
  24. The amount borrowed by the company from Directors, members, financial institutions, banks and others during the financial year ended on 31st March, 2013 is within the provisions of section 293(1) (d) of the Act.
  25. The company has not made any loans or Advances or given guarantees or provided Securities to other bodies corporate during the financial year and consequently no entries have been made in the Register kept for the purpose.
  26. The company has not altered the provisions of the Memorandum with respect to change in situation of the Company's registered office from one state to another during the year under scrutiny.
  27. The company has not altered the provisions of the Memorandum with respect to Object of the Company during the year under scrutiny and complied with the provisions of the act.
  28. The company has not altered the provisions of the Memorandum with respect to Name of the company during the year under scrutiny.
  29. The company has not altered the provisions of the Memorandum with respect to Authorized Share Capital of the company during the year under scrutiny.
  30. The company has not altered its Articles of Association during the financial year.
  31. There was no prosecution and penalty imposed on the company during the financial year ending 31.03.2013.
  32. The company has not received any money as security from its employees during the financial year.
  33. The Company has not constituted any Provident Fund under section 418 of the Act, hence the provisions of section 418 of the Act, are not applicable to the company.

Place : Ghaziabad  
Date : 03/09/2013

**for NISHI TALWAR & ASSOCIATES.**  
**Sd/-**  
Nishi Talwar  
Practising Company Secretary  
**(CPNo.10529)**



**ANNEXURE 'A'**

Statutory Registers as maintained by the Company

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

**Annexure-B**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year ending on 31st March 2013.

S. No.	Form no./ Return	Filed Under Section	For	Date of Filing	Whether Filed Within Prescribed Time	If Delay in Filing Whether Requisite Additional Fee Paid Yes / No
1.	Form 18	146	Change of Registered office	18/07/2012	Yes	No
2.	Form-23B	224 (1A)	Appointment of auditor fy 11-12	11/08/2012	Yes	No, filed under the scheme
3.	Form-23B	224 (1A)	Appointment of auditor fy 11-12	14/12/2012	Yes	No, filed under the scheme
4.	Form 23AC & ACA (XBRL)	220	Filing of Balance sheet & P&L	15/01/2013	Yes	No

Place : Ghaziabad  
Date : 03/09/2013

for **NISHI TALWAR & ASSOCIATES**

Sd/-  
Nishi Talwar  
Practising Company Secretary  
(CP No.10529)

**REPORT ON CORPORATE GOVERNANCE**

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below for the Financial Year 2012-13.

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

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

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

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

**2) Board of Directors:-****Composition**

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

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

The composition and category of Directors as on 31.03.2013 is as follows:

Name of the Directors/ Resignation	Position	Board Meetings held during the period of Directorship	Board Meeting attended	Whether attached last AGM	No. of Directorship held in other public limited compaines incorporated in India
Mr. Suresh Mansharamani	Chairman	5	5	Yes	No
Mr.Rahul Mansharamani	Director	5	3	Yes	No
Mr. Pradeep Kumar	Director	5	5	Yes	No
Mr. Amarendra Kumar Singh	Director	5	4	Yes	No
Mr. Brij mohan	Director	5	5	Yes	No
Mr. Naveen Asrani	Director	5	5	Yes	No

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

**Meetings & Attendance:**

During the last Financial Year, the Board of Directors of your Company met at five meetings on 30/05/2012, 19/06/2012, 13/08/2012, 08/11/2012, 08/02/2013. Agenda papers along with explanatory notes were circulated to the Directors well in advance for each of these meetings. All relevant information, as per Clause 49 of the Listing Agreement was placed before the Board from time to time.

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

<b>Name of the Director</b>	<b>Relationship with other</b>	<b>Sitting Fees Directors</b>	<b>Commission on profits</b>	<b>Salary/ Remuneration (Rs.)</b>	<b>Perquisites &amp; Allowances</b>	<b>Total</b>
Mr. Suresh Mansharamani	Father of Mr. Rahul Mansharamani	NA	NA	Rs.60000/-	NIL	Rs.60,000/-
Mr. Rahul Mansharamani	Son of Mr. Suresh Mansharamani	NIL	NIL	NIL	NIL	NIL
Mr. Pradeep Kumar	None	NIL	NIL	NIL	NIL	NIL
Mr. Amarendra Kumar Singh	None	NIL	NIL	NIL	NIL	NIL
Mr. Brij mohan Ravi	None	NIL	NIL	NIL	NIL	NIL
Mr. Naveen Asrani	None	NIL	NIL	NIL	NIL	NIL

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

#### **Audit Committee**

The Audit Committee of the Board of Directors has been constituted in conformity with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Committee comprises of three directors, all are non-executive directors. Four Audit Committee Meetings were held during the year on 30/05/2012, 13/08/2012, 08/11/2012, 08/02/2013 Composition of the Audit Committee is as follows:

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

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

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

**Shareholders' Grievance Committee**

The composition of Shareholders' Grievance Committee is as follows

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

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

**Remuneration Committee**

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

Name of the Director	Position held in Committee
Mr. Pardeep Kumar	Chairman
Mr. Amarendra Kumar Singh	Member
Mr. Brij Mohan	Member

**4) Management discussion and analysis**

The Annual Report contains matter on Management discussion and analysis.

**5) Compliance Officer**

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

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

Subject	Complaints		
	Received	Attended	Pending
Investor's Complaints	1	1	NIL
TOTAL	1	1	NIL

**7) General Body Meetings**

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

Financial Year	Date	Time	Address
2009-2010	30.09.2010	10:30 A.M	138-A Taimoor Nagar, New Friends Colony New Delhi-110065
2010-2011	30.09.2011	10:30 A.M	138-A Taimoor Nagar, New Friends Colony, New Delhi-110065
2011-2012	29.09.2012	10:30 A.M	No. 18, Basement, NRI Complex, Greater Kailash, Part-IV, Delhi-110019

**8) Disclosures**

- There are no materially significant related party transactions i.e. transactions material in nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. having potential conflict with the interest of the company at large.
- There has been no non compliance by the Company nor were any penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years.
- Presently, the Company does not have a Whistle Blower Policy. No Personnel of the Company has been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements of Clause 49. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.

**9) Means of Communication**

The unaudited quarterly, half yearly and annual financial results of the company are announced as per clause 41 of the Listing Agreement. The aforesaid financial results reviewed by the Audit Committee and approved by the Board of Directors are communicated to the concerned stock exchange.

The Annual Report which includes inter alias, the Director's Report, the Report of Board of Directors on corporate governance, management discussion and analysis report and the audited financial results are circulated to the member. Further in terms of the Listing Agreement, information on investor related issues (Record Dates/Book closures/price sensitive information) are communicated to the Stock Exchanges.

**10) General Shareholders Information****Annual General Meeting**

Date and Time : 26th September, 2013 at 10:00 AM.  
Venue : No. 18, NRI Complex, Basement, Greater Kailash, Part IV  
New Delhi - 110019

**Financial Calendar**

Financial Year : April - March 2012-13  
Results for the First Quarter : On or before 15th August, 2012  
Results for the Second Quarter : On or before 15th November, 2012  
Results for the Third Quarter : On or before 15th February, 2013  
Annual Audited Results : 25th May, 2013

**Date of Book Closure** : September 24, 2013 to  
September 26, 2013 (both days inclusive)

**Dividend on equity shares** : NIL, no dividend has been declared so far

**Share Details:-**

Listed at : BSE & JSE.  
Stock Code : 531887 (Mumbai)  
ISIN for Dematerialisation : INE149D01011.

**Stock Market Data**

During the Financial year, High & Low of share price of the company was as under:

High Rs. 17.65 on September 5, 2012

Low Rs. 6.52 on March 26,2013

**Registrar and Share Transfer Agents:**

**M/s Alankit Assignments Ltd.**  
RTA Division, Alankit House,  
2E/21, Jhandewalan Extension,  
New Delhi - 110055 (India)  
Ph.: 91-11-42541234, 23541234,  
Fax: 91-11-23552001.  
e-mail:info@alankit.com  
Website: www.alankit.com

**RAHUL MERCHANDISING LIMITED****11) Shareholding Pattern According to categories of shareholders as at 31st March 2013.**

<b>Category</b>	<b>No.of Shares held</b>	<b>%of shareholding</b>
<b>(A) Promoter and Promoter Group:</b>		
a. Individuals/Hindu Undivided Family	724200	20.62
b. Bodies Corporate	289600	8.25
Total Shareholding of Promoter and Promoter Group A = (A)(a)+ (A)(b)	1013800	28.86
<b>(B) Public Shareholding</b>		
(1) Institutions		
a. Mutual Funds/UTI	350	0.01
(2) Non - Institutions		
Bodies Corporate	1427950	40.66
a. Individuals		
i) Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	416150	11.85
ii). Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh	628800	17.90
Any other(Non Resident Indian)	25200	0.72
<b>Total Public Shareholding B = (B)(1) + (B)(2)</b>	<b>2498450</b>	<b>71.14</b>
<b>TOTAL (A+B)</b>	<b>3512250</b>	<b>100.00</b>
<b>Shares held by Custodians and against Depositories Receipts have been issued</b>	<b>Nil</b>	<b>Nil</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>3512250</b>	<b>100</b>

**CERTIFICATION BY CHAIRMAN FOR THE FINANCIAL YEAR 2012-13**

To  
The Members  
M/s Rahul Merchandising Limited.

I, Suresh Mansharamani, am responsible for the finance function certify that

- a) I have reviewed the financial statements and cash flow statement for the year ended 31.03.2013 and to the best of my knowledge and belief :
- i) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading:
  - ii) These statements together present are true and fair view of the company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of my knowledge and belief, no transactions entered into by the company during the year ended 31.03.2013 are fraudulent, applicable laws and regulations.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the auditor and audit committee and steps have been taken to rectify these deficiencies.
- d) i) There has not been any significant change in internal control over financial reporting during the year under reference;
- ii) Significant change in accounting policies during the year have been disclosed in the notes to the financial statements; and
  - iii) I am not aware of any instance during the year of significant fraud with involvement there in of the management or any employee having a significant role in the company's internal control system over financial reporting.

Date : 03/09/2013  
Place : New Delhi

Sd/-  
**Suresh Mansharamani**  
Chairman

**COMPLIANCE WITH CODE OF CONDUCT**

I, Suresh Mansharamani, Chairman of the Company hereby certify that all the directors and Senior Management Personnel have affirmed compliance of the code of the conduct of the company for the financial year ended March 31, 2013.

Date : 03/09/2013  
Place : New Delhi

Sd/-  
**Suresh Mansharamani**  
Chairman

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**FORWARD - LOOKING STATEMENT**

Certain statements in the Management Discussion & Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectation of future event, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand supply conditions, finish goods prices, changes in Government Regulations and Tax regime etc. The Company assumes no responsibility to publically amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

**INDUSTRY STRUCTURE AND DEVELOPMENT**

**BUSINESS REVIEW**

We are engaged in the business of trading of apparels as well as the export of the same. We are also in the process of entering in the export of the consumer product for the retail trading of the same as we weighing the opportunities and threats in the new venture. In line with the objective term growth, the Company is developing the strategic competency and enhancing its operational efficiencies.

**OPPORTUNITIES**

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

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUECY**

The Company has adequate internal control procedures commensurate with the size and nature of the business. It is to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that transaction are authorised, recorded and reported correctly, to keep constant check on the cost structures and to prevent revenue leakages.

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

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

**HUMAN RESOURCES DEVELOPMENT:**

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

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



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
**Rahul Merchandising Ltd,**

We have examined the compliance of conditions of Corporate Governance by Rahul Merchandising Ltd. for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For Jagdish Sapra & Co.  
Chartered Accountants  
(Firm Registration No. 001378N)  
Sd/-

CA Vipal Kalra  
Partner

Membership No. 084583

Place : New Delhi  
Dated: 25.05.2013

**INDEPENDENT AUDITOR'S REPORT**

To the Members of,  
**Rahul Merchandising Ltd**

**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, 2013, the Statement of Profit and Loss & Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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 :

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors, as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For Jagdish Sapra & Co.  
Chartered Accountants  
(Firm Registration No. 001378N)  
Sd/-  
CA Vipal Kalra  
Partner  
Membership No. 084583

Place: New Delhi  
Dated: 25.05.2013

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

- 1. In view of the fact that premises, records, fixed assets and stocks remained sealed by the official liquidator during the year. there is no comment to offer in respect of sub-paragraph (ia), (ib), (ic), (iia), (iib), (iic), (iv), (vii) and (viii) of paragraph (4) of the Companies (Auditor's Report) Order, 2003.
- 2 a) The company has not granted any loans, secured or unsecured ,during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 as per information and explanations given to us Consequently paras 4(iii)(b), (iii)(c) and (iii)(d) of the order are not applicable to the company.
- 2 b) i) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 except interest free loans from two directors and five relatives of directors.  
ii) In our opinion the term and conditions of the above loans taken are not prima-facie prejudicial to the interest of the company.  
iii) As informed to us, there is no stipulation for re-payment of loans., Hence we are unable to offer our comments on the same.
- 3. a) In our opinion, and according to the information and explanations given to us, the transactions that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.  
b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Companies Act 1956 and aggregating during the year to Rupees five lacs or more in respect of any party.
- 4. The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act 1956 and Rules framed there under.

## **RAHUL MERCHANDISING LIMITED**

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5. a) According to the information and explanations given to us and the records of the company examined by us, the provision of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess & Service Tax are not applicable to the company .  
b) There are no dues in respect of sale tax, wealth tax , service tax custom duty, Excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
6. The company has accumulated losses of less than fifty percent of its networth as at 31st March 2013. The company has incurred cash losses during the current financial year and in the immediately preceding financial year.
7. According to the records of the Company examined by us and the information and explanations given to us, the company has neither taken loan or credit facility from any financial institution or bank nor issued any Debentures.
8. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
9. The provisions of special statutes applicable to Chit fund, Nidhi or mutual benefit fund/ Society are not applicable to the company.
9. According to the information and explanations given to us , the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the order is not applicable.
10. As informed to us, the company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
11. The Company has not taken any term loan during the year.
12. According to the information and explanations given to us, no funds raised on short-term basis have been used for long-term investments.
14. According to the information and explanations given to us, no preferential allotment of shares has been made by the Company to companies, firms or other parties listed in the Register maintained under section 301 of the companies Act, 1956
15. The company has not issued any debentures. Hence the requirements of clause (xix) of paragraph 4 of the Order is not applicable to the company.
16. The company has not raised any money by way of public issue.
17. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud on or by the company nor have we been informed by the management of any such instance being noticed or reported during the year.

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

Sd/-

CA Vipal Kalra

Partner

Membership No. 084583

Place : New Delhi  
Dated : 25.05.2013

**BALANCE SHEET AS AT 31.03.2013**

[In Rupees]

	NOTE NO.	As at 31.03.2013	As at 31.03.2012
<b>I EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Share capital	2	<b>35,122,500</b>	35122500
(b) Reserves and surplus	3	<b>(14952896)</b>	(10762965)
		<b>20,169,604</b>	24,359,535
<b>CURRENT LIABILITIES</b>			
(a) Short-term borrowings	4	<b>59638361</b>	58640361
(b) Trade payables	5	<b>54356</b>	29783
(c) Other current liabilities	6	<b>80000</b>	120,000
		<b>59,772,717</b>	58790144
<b>TOTAL</b>		<b>79942321</b>	83149679
<b>II ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	7	<b>0</b>	227260
		<b>0</b>	227260
<b>CURRENT ASSETS</b>			
(a) Trade receivables	8	<b>79905056</b>	79745216
(b) Cash and cash equivalents	9	<b>37,265</b>	85266
(c) Short-term loans and advances	10	<b>0</b>	3091937
		<b>79,942,321</b>	82,922,419
<b>TOTAL</b>		<b>79,942,321</b>	83,149,679
SIGNIFICANT ACCOUNTING POLICIES	1		

**NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF FINANCIAL STATEMENTS**      15

As per our report of even date  
For **JAGDISH SAPRA & CO**  
Chartered Accountants  
(Firm Registration No. 001378N)

For and on behalf of the Board

**Sd/-**  
**(CA VIPAL KALRA)**  
Partner  
M.NO. 084583

**Sd/-**  
**Suresh Mansharamani**  
Managing Director

**Sd/-**  
**Pradeep Kumar**  
Director

Place : New Delhi  
Dated : 25.05.2013

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2013**

[In Rupees]

	NOTE NO.	Year Ended 31.03.2013	Year Ended 31.03.2012	
<b>I</b>	<b>Income from operations</b>	<b>11</b>	<b>201093</b>	568,863
<b>II</b>	<b>other Income</b>	<b>12</b>	<b>0</b>	7,862
<b>III</b>	<b>Total Revenue</b>		<b>201093</b>	576725
<b>IV</b>	<b>EXPENSES:</b>			
	Employees benefits expense	<b>13</b>	<b>132199</b>	245700
	Other expenses	<b>14</b>	<b>1166888</b>	475371
	<b>Total expenses</b>		<b>1299087</b>	721071
<b>V</b>	Loss before tax(III-IV)		<b>(1097994)</b>	(144,346)
<b>VI</b>	Tax expense:			
	Current tax		<b>0</b>	0
	Earlier Years tax		<b>3091937</b>	0
<b>VII</b>	(Loss) for the Year (V-VI)		<b>4189931</b>	144346
	Earning per equity share:			
	Basic	<b>15(iii)</b>	<b>(1.19)</b>	(0.04)
	Diluted	<b>15(iii)</b>	<b>(1.19)</b>	(0.04)

**NOTES TO ACCOUNTS FORM AN INTEGRAL 15**

**PART OF FINANCIAL STATEMENTS**

As per our report of even date

For **JAGDISH SAPRA & CO**

Chartered Accountants

(Firm Registration No. 001378N)

For and on behalf of the Board

**Sd/-**  
**(CA VIPAL KALRA)**  
Partner  
M.NO. 084583

**Sd/-**  
**Suresh Mansharamani**  
Managing Director

**Sd/-**  
**Pradeep Kumar**  
Director

Place : New Delhi  
Dated : 25.05.2013

**CASH FLOW STATEMENT**

[In Rupees]

	As at 31.03.2013	As at 31.03.2012
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss) before tax	(1097994)	(144346)
Adjustment for:		
Depreciation		
Taxes paid (Net of Mat Credit entitlement)	(3091937)	0
(Profit)/Loss on Sale or Write off of Fixed Assets	227260	0
Interest Income	0	0
Interest Expense	0	0
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(3962671)</b>	<b>(144346)</b>
(Increase)/ Decrease in Sundry Debtors	(159840)	0
Decrease/(Increase) in Other Receivables	3091937	0
Decrease/(Increase) in Inventories	-	-
(Decrease)/ Increase in Payables	(15427)	86529
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(1046001)</b>	<b>(57817)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	0	0
Proceeds from sale of Fixed Assets	0	0
Purchase of Investments	0	0
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share capital	0	0
Net proceeds of long term borrowings	0	0
Repayment of long-term borrowings	0	0
Net proceeds of short term borrowings	998000	101050
Interest Paid	0	0
Interest Received	0	0
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>998000</b>	<b>101050</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(48001)</b>	<b>43233</b>
<b>CASH AND CASH EQUIVALENTS AS AT OPENING</b>	<b>85266</b>	<b>42033</b>
<b>CASH AND CASH EQUIVALENTS AS AT CLOSING</b>	<b>37265</b>	<b>85266</b>
<b>NOTES:</b>		
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.		

As per our report of even date  
For **JAGDISH SAPRA & CO**  
Chartered Accountants  
(Firm Registration No. 001378N)

For and on behalf of the Board

**Sd/-**  
**(CA VIPAL KALRA)**  
Partner  
M.NO. 084583

**Sd/-**  
**Suresh Mansharamani**  
Managing Director

**Sd/-**  
**Pradeep Kumar**  
Director

Place : New Delhi  
Dated : 25.05.2013

## 1. SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

ii) **FIXED ASSETS**

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

iii) **DEPRECIATION**

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

iv) **REVENUE RECOGNITION**

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

v) **INVENTORIES**

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

vi) **INVESTMENTS**

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

vii) **TAXATION**

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

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

viii) **IMPAIRMENT OF ASSETS**

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

ix) **PROVISIONS/CONTINGENT LIABILITIES**

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

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

x) **FOREIGN EXCHANGE TRANSACTIONS**

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

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



**NOTES TO ACCOUNT**

**2 SHARE CAPITAL:**

	AS AT 31st March, 2013	AS AT 31st March, 2012
<b>AUTHORISED:</b>		
80,00,000 Equity Shares of Rs. 10/- each	80000000	80000000
2,00,000 Equity Shares of Rs. 100/- each	20000000	20000000
	<b>100,000,000</b>	<b>100000000</b>

**ISSUED, SUBSCRIBED AND PAID UP**

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).

	35,122,500	35122500
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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.

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, 2013		As at 31st March, 2012	
	No. of shares	% held	No. of shares	% held
SURESH MANSHARAMANI	492600	14.00	466600	13.28
UMA MANSHARAMANI	224100	6.38	224100	6.38
LAJU MANSHARAMANI			201000	5.72
MARRYL INVESTMENT CO PVT LTD			595900	16.96
RELIABLE ENGINEERING PVT LTD	289600	8.24	289600	8.24
RAHUL FINVEST PVT LTD			62450	16.01
CARNATION COMMODITIES PVT LTD	633350	18.00		
end of the reporting period is given below:				

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	% held	No. of shares	% held
<b>EQUITY SHARES</b>				
Number of shares at the beginning	3,512,250	35122500	3512250	35122500
Changes during the year	0	0	0	0
Number of shares at the end	3512250	35122500	3512250	35122500

**RAHUL MERCHANDISING LIMITED**

<b>3 RESERVES &amp; SURPLUS:</b>	<b>AS AT 31st March, 2013</b>	<b>AS AT 31st March, 2012</b>
<b>Debit Balance in Statement of Profit and Loss;</b>		
As per last Balance Sheet	<b>(10,762,965)</b>	(10,618,619)
Add: Net loss after tax transferred from Statement of Profit & Loss	<b>(41,89,931)</b>	(144,346)
<b>Total</b>	<b>(14,952,896)</b>	(10,762,965)
<b>4 SHORT TERM BORROWINGS:</b>		
Loans from related parties-Unsecured	<b>59,638,361</b>	58,640,361
<b>Total</b>	<b>59,638,361</b>	58,640,361
<b>5 TRADE PAYABLES:</b>		
Sundry creditors:		
- Micro, Small and Medium Enterprises (Refer Note 15(v))	-	-
- Others	<b>54356</b>	29,783
<b>Total</b>	<b>54356</b>	29,783
<b>6 OTHER CURRENT LIABILITIES</b>		
Other payables:		
Accrued salaries and benefits	<b>80000</b>	120,000
<b>Total</b>	<b>80000</b>	120,000.00

**Note-7 FIXED ASSETS**

[Rupees]

PARTICULARS	GROSS BLOCK			Depreciation/ Amortisation					Net BLOCK	
	As at 1st April, 2012	Additions during the year	Other Adjustments	Deduction/ Retirement	As at 31st March, 2013	As at 1st April, 2012	For the year	Deductions during the year	As at 31st March, 2013	As at 31st March, 2012
<b>Tangible Assets:</b>										
Plant & Machinery	6598900	0	0	6598900	-	6380609	0	6380609	0	218291
Furniture, Fittings &										
Office Equipments	1510344	0	0	1510344	-	1505908	0	1505908	0	4436
Data Processing	895325	0	0	895325	-	890791	0	890791	0	4534
<b>Total</b>	9004569	0	0	9004569	0	8777308	0	8777308	0	227260
<b>Previous Year</b>	<b>9004569</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9004569</b>	<b>8777308</b>	<b>0</b>	<b>0</b>	<b>8777308</b>	<b>227260</b>

**RAHUL MERCHANDISING LIMITED**

<b>8 TRADE RECEIVABLES:</b>		
<b>Unsecured, Considered good:</b>		
Over Six months	<b>79,745,216</b>	79745216
Others	<b>159840</b>	0
Total	<b>79905056</b>	79745216

<b>9 CASH AND CASH EQUIVALENTS:</b>		
Balances with Banks:		
In Current accounts	<b>35668</b>	81570
Cash on hand (as certified)	<b>1597</b>	3,696
Total	<b>37,265</b>	85,266

<b>10 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured considered good unless otherwise stated)		
Advances recoverable in cash or in kind for the value to be received		
Income tax paid under appeal	<b>0</b>	2,919,860
Advance Income Tax & TDS (Net of Provision)	<b>0</b>	172077
Total	<b>0</b>	3091937

**NOTES TO PROFIT AND LOSS**

[Rupees]

	NOTE NO.	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>11 INCOME FROM OPERATIONS</b>			
Commision received		<b>201,093</b>	568863
		<b>201,093</b>	568863
<b>12 OTHER INCOME:</b>			
Net gain on foreign currency transaction & translation		<b>0</b>	7,862
		<b>0</b>	7,862
<b>13 EMPLOYEE BENEFITS EXPENSE</b>			
Salaries		<b>131609</b>	245,700
Staff Welfare Expenses		<b>590</b>	0
		<b>132,199</b>	245,700
<b>14 OTHER EXPENSES:</b>			
Payment to the auditors:			
As Auditor		<b>22,472</b>	22472
Legal & Professional Expenses		<b>61,000</b>	127,491
Membership & Subscription		<b>801,022</b>	251618
Fixed assets Discarded		<b>227,260</b>	0
Miscellaneous expenses:		<b>55,134</b>	73,790
Total		<b>1,166,888</b>	475,371
<b>15 NOTES TO THE ACCOUNTS:</b>			
<b><u>i) CONTINGENT LIABILITIES</u></b>			
a) Income Tax and interest thereon for which the company has preferred appeals.		0.00	50.30
b) Income tax and interest thereon for which the income tax department has preferred appeals.		0.00	5.40
c) Export obligation in respect of custom duty exemption Availed under Advance Licence Scheme		0.00	7.12
<b>ii) Deferred Tax asset is not recognized on the basis of prudence</b>			
<b><u>iii) Earnings per share</u></b>			
		As on 31.03.13 Rs.	As on 31.03.12 Rs.
Loss attributable to Equity Shareholder (Rs.)	A	(24120074)	(144346)
Basic/Weighted average of Equity share	B	35,12,250	35,12,250
Nominal Value (Rs.)		10/- each	10/- each
Basic/Diluted EPS	(A/B)	(6.87)	(0.02)
iv) Some of the debtors, current liabilities and advances are subject to confirmation/reconciliation.			
v) There are no dues to micro, small and medium enterprises.			
vi) In the opinion of the Board, all the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which those are stated in the Balance Sheet.			
vii) Exchange fluctuations against export debtors are not accounted as the company has filed claims with ECGC for recovery of such debtors and the payment against the export debtors will be recovered in India.			

## RAHUL MERCHANDISING LIMITED

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viii) Information pursuant to provisions of Part II of Schedule VI of the Companies Act, 1956.

	<b>Rs.</b>	<b>Rs.</b>
a) CIF value of imports	Nil	(NIL)
b) Expenditure in foreign currency	Nil	(NIL)
c) Earnings in foreign exchange	201093	(576725)

**Note:** figures in brackets above are in respect of previous year.

ix) Previous year figures have been re-grouped and rearranged wherever necessary to make them comparable with those of the current year.

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

As per our report of even date

For **JAGDISH SAPRA & CO**

Chartered Accountants

(Firm Registration No. 001378N)

**Sd/-**

**(CA VIPAL KALRA)**

Partner

M.NO. 084583

Place : New Delhi

Dated : 25.05.2013

For and on behalf of the Board

**Sd/-**

**Suresh Mansharamani**

Managing Director

**Sd/-**

**Pradeep Kumar**

Director

**ABSTRACT OF BALANCE SHEET AS ON 31-03-2013**  
**AMOUNT IN LACS**

**I. Registration Details**

Registration No.	:	052461
CIN Number	:	L74899DL1993PLC052461
State Code	:	55
Balance Sheet Date	:	31.03.2013

**II. Capital Raised during the year**

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placements	:	NIL

**III. Position of Mobilisation and Deployment of Funds**

Total Liabilities	:	799.42
Total Assets	:	799.42

**Source of Fund**

Paid - Up Capital	:	351.22
Share Application Money	:	NIL
Secured Loans	:	0.00
Reserves & Surplus	:	-149.52
Unsecured Loans	:	596.38

**Application of Funds**

Net Fixed Assets	:	0
Investment	:	NIL
Net Current Assets	:	799.42
Misc. Expenditure	:	0.55
Accumulated Losses	:	-149.52

**IV. Performance of Company (Amount in Rs. Thousand)**

Turnover including other Incomes	:	2.01
Total Expenditure	:	12.99
Profit/Loss Before Tax	:	-10.98
Profit/Loss After Tax	:	-41.9
Earning Per Share in Rs.	:	-1.19
Dividend Rate %	:	—

**V. Generic Name of Three Principal Services of Company**

DI Item Code No.	:	—
New Delhi	:	—
Item Code No.	:	—
Product Description	:	—
Item Code No.	:	—
Product Description	:	—

As per our report of even date  
For **JAGDISH SAPRA & CO**  
Chartered Accountants  
(Firm Registration No. 001378N)

For and on behalf of the Board

**Sd/-**

**(CA VIPAL KALRA)**

Partner  
M.NO. 084583

**Sd/-**

**Suresh Mansharamani**  
Managing Director

**Sd/-**

**Pradeep Kumar**  
Director

Place : New Delhi  
Dated : 25.05.2013





# RAHUL MERCHANDISING LIMITED

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

## PROXY-FORM

I We..... of  
..... being a member/members of the  
above named company hereby appoint .....  
of ..... as my/our proxy to vote for  
me/us on my/our behalf at the **Annual General Meeting** of the company to be held on Thursday, the  
26th September, 2013 at 10:00 A.M at No 18, Basement, NRI Complex, Greater Kailash, Part IV,  
New Delhi-110019 and at any adjournment thereof.

Signed this..... day of \_\_\_\_\_ 2013.



- Note:** a) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself.  
b) Proxy need not be a member.  
c) The proxy form duly completed should be deposited at the registered office of the company not less than 48 hours before the time fixed for holding the meeting.



# RAHUL MERCHANDISING LIMITED

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

## ATTENDANCE SLIP

(Please present this slip at the entrance of the meeting venue)

Regd. Folio. ....

Shares held .....

I hereby record my presence at the **Annual General Meeting** of the company to be held on Thursday, the  
26th September, 2013 at 10:00 AM at No 18, Basement, NRI Complex, Greater Kailash, Part IV, New  
Delhi-110019.

Name of the Shareholder : .....

Name of the Proxy : .....

Signature of member/proxy : .....

- Note:** 1. To be signed at the time of handing over this slip.  
Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.





**BOOK-POST**


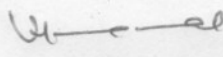
*If undelivered, please return to :*

**RAHUL MERCHANDISING LIMITED**

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

**FORM A**

**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

1.	Name of the company	Rahul Merchandising Limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation Whether appeared first time...../	Not Applicable
5.	To be signed by-	
	• CEO/Managing Director	
	• CFO	
	• Auditor of the company	
	• Audit Committee Chairman	