

# **RAHUL MERCHANDISING LIMITED**

**CIN: L74899DL1993PLC052461**

**23<sup>RD</sup> ANNUAL REPORT  
2015-2016**

**BOARD OF DIRECTORS**

Mr. Pardeep Kumar- Whole Time Director

Mr. Himanshu Chandani- Independent Director

Ms. Snehlata Kaim- Independent Director

Ms. Priyanka Rana- Independent Director

Mr. Rajeshwar Bhagat- Independent Director (Upto 10th February, 2016)

Mr. Paras Pant- Additional Director (10th February 2016 to 29th June, 2016)

**KEY MANAGERIAL PERSONNEL**

Mr. Pardeep Kumar- Chief Financial Official (CFO)

**AUDITORS****JAGDISH SAPRA & CO.****Chartered Accountants**

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

**BANKERS**

Indian Overseas Bank  
New Friends Colony  
New Delhi-110025

**REGISTERED OFFICE**

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

**REGISTRAR AND TRANSFER AGENT****Skyline Financial Services Pvt. Ltd.**

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

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**NOTICE**

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of **RAHUL MERCHANDISING LIMITED (CIN L74899DL1993PLC052461)** will be held on Monday, 26<sup>th</sup> day of September, 2016 at Registered Office of the Company at 204, Siddhartha Building, 96, Nehru Place, New Delhi-110019 at 09:30 A.M. to transact the following business:-

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited financial Statements of the Company for the year ended on 31<sup>st</sup> March, 2016 together with the Report of the Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Pardeep Kumar (DIN: 02940382), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139(2) and 142(1) of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, pursuant to the recommendations of the audit committee of the Board of Directors, the reappointment of the Statutory Auditors of company M/s. Jagdish Sapra & Co.(Firm registration No: 001378N), Chartered Accountants, be and is hereby ratified by the members of the company for the financial year 2016-17 at such remuneration as may be determined by the Board of Directors of the Company.”

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

**Date: 01/09/2016  
Place: New Delhi**

Sd/-  
**Snehlata Kaim  
Chairperson  
DIN: 06882968**

**NOTES:**

1. The relevant Explanatory Statement and reasons in respect of proposed Special Resolution pursuant to Section 102 of the Companies Act, 2013 are 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 SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
3. **A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
4. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Members are requested to bring their copy of Annual Report with them at the Annual General Meeting, as the copy of the report will not be circulated at the meeting.
6. The Register of Member and Share Transfer Books of the company will remain closed from 24<sup>th</sup> day of September, 2016 to 26<sup>th</sup> day of September, 2016 (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 Registrar and Share Transfer Agent (RTA) of the Company, 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 the 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 services 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. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. The Board of Directors of the company has appointed Ms. Preeti Jain, Practicing Company Secretaries, Delhi as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
13. 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. September 22, 2016 only shall be entitled to avail the facility of e-voting / Poll.
14. The Scrutinizer, after scrutinising the votes cast at the meeting (Poll) and through e-voting, will, not later than 48 hours from the 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 the website of the Company [www.rahulmerchandising.com](http://www.rahulmerchandising.com). The results shall simultaneously be communicated to the Stock Exchange(s).
15. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 26, 2016.
16. **Voting through electronic means and procedure thereof:**
  - (i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015 the company is pleased to provide members facility to exercise their right to vote on resolution proposed to be considered at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL).
  - (ii) The facility for e-voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - (iii) The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - (iv) The remote e-voting period commences on Friday, September 23, 2016 (9:00 A.M.) and ends on September 25, 2016 (5:00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 22<sup>nd</sup> September, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting

thereafter. Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently.

- (v) The process and manner for remote e-voting are as under
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
- (i) Open email and open PDF file viz; "Rahul e-voting pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL : <https://evoting.nsdl.com/>
  - (iii) Click on shareholder-Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above and click Login.
  - (v) Password Change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of Rahul Merchandising Limited.
  - (viii) Now you are ready for e-voting as cast 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 members (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 authorised signatory through e-mail to [rahulmerchandising@gmail.com](mailto:rahulmerchandising@gmail.com).
- B. In case a member receives physical copy of Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of Attendance Slip for the AGM:  
**EVEN (E-Voting Event Number) USER ID PASSWORD/PIN**
  - (ii) Please follow all steps from serial no. (ii) to (xii) above, to cast vote.
  - (vi) In case of any queries, you may refer the Frequently Asked Questions (FAQ) for members and e-voting user manual for members available at the Download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800-222-990.
  - (vii) If you already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
  - (viii) You can also update your mobile number e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - (ix) The voting rights of members shall be in proportion to their share capital of the Company as on the cut-off date (record date) of Thursday, September 22, 2016.
  - (x) Any person, who acquires shares of the company and become member of the company after dispatch of the notice and holding shares as of cut-off date i.e. Thursday, September 22, 2016, may obtain the login ID and password by sending a request at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
  - (xi) A member may participate in the AGM even after exercising his right to vote through e-voting but shall not be allowed to vote again at the AGM
  - (xii) A person, whose name is recorded in the register of members or in the register of beneficial owners

maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of e-voting as well as voting at the AGM through ballot paper.

- (xiii) Ms. Preeti Jain, Practicing Company Secretary has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (xiv) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.
- (xv) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes casted at the meeting and thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes casted in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (xvi) The Result declared alongwith the report of the scrutinizer shall be placed on the website of the company [www.rahulmerchandising.com](http://www.rahulmerchandising.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The result shall also be immediately forwarded to the Stock Exchanges where Company's shares are listed.

17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hour (9.00 a.m. to 6.00 p.m.) on all working days, up to the conclusion of the Annual General Meeting.

**ANNEXURE TO THE NOTICE**

**NOTICE OF INTEREST**

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

**Information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Directors seeking appointment/reappointment in the AGM**

Name	Mr. Pardeep Kumar
DIN	02940382
Date of Birth	25/08/1970
Date of Appointment	01/12/2005
Expertise in specific functional area	Secretarial Work
No. of Shares in the Company	-
Qualification	Commerce Graduate
Other Directorship	1. Heretagge Designs Private Limited 2. Reliable Engineering Private Limited 3. Tarun Creations Private Limited 4. Marryl Investment Company Private Limited 5. Rahul Fin-Vest Private Limited
Position held in Mandatory Committees of the Other Companies	Nil

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

**Date: 01/09/2016  
Place: New Delhi**

Sd/-  
**Snehlata Kaim  
Chairperson  
DIN: 06882968**

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Annual Report together with the Audited Statement of Accounts of **Rahul Merchandising Limited** for the year ended 31st March, 2016.

### 1. SUMMARISED FINANCIAL HIGHLIGHTS

Particulars	In (Rs. Lacs)	
	2015-2016	2014-15
Total Income	0.52	0.00
Total Expenditure	3.30	2.22
Profits/(Loss) before interest, Depreciation and Tax	(2.78)	(2.22)
Interest and Financial Charges	0.00	0.00
Profits/(Loss) before Depreciation and Tax	(2.78)	(2.22)
Depreciation	0.00	0.00
Net Profits/(Loss) before Tax	(2.78)	(2.22)
Tax Provision	0.00	0.00
Net Profits/(Loss)	(2.78)	(2.22)

### 2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchange, a detailed Management Discussion and Analysis Report is presented in a separate section forming part of the annual report.

### 3. DIVIDEND

To conserve the resources, your Directors are not recommending any dividend for the year under review.

### 4. STATE OF COMPANY'S AFFAIRS

Company lays emphasis on being customer-centric and further strives on a well organized management team of skilled and trained professionals to deliver quality to its customers. The Company is dealing in textile Products.

### 5. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments noticed by the Board between the end of the financial year of the company, i.e, 31.03.2016 and the date of the report.

### 6. RESERVES

Since the Company has incurred losses during the year, so no amount is proposed to be transferred to reserves.

### 7. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2016 was Rs. 3,51,22,500. During the year under review the company has not issued any shares or any convertible instruments.

### 8. CORPORATE SOCIAL RESPONSIBILITY

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

### 9. HUMAN RESOURCES

The well disciplined workforce which has served the company for two decades lies at the very foundation of the company's major achievements and shall well continue for the years to come. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance.

**10. LISTING OF SECURITIES**

Shares of Company are listed on BSE Limited.

**11. CODE OF CONDUCT**

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

All the Board Members Senior Management Personnel have affirmed compliance with the Code of Conduct.

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

**12. RISK MANAGEMENT**

Although the company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion.

Therefore, in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board members were informed about risk assessment and minimization procedures, after which the Board formally adopted steps for framing,

The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

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

**13. SUBSIDIARY COMPANIES**

The Company does not have any subsidiary Company.

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

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

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

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

**16. DIRECTORS & COMMITTEES**

At the previous Annual General Meeting of the company held on 30<sup>th</sup> September, 2015 the company had appointed the Mr. Pradeep Kumar (DIN: 02940382) as Whole Time Director under the companies Act, 2013 for five (5) consecutive years for a term 30<sup>th</sup> September, 2015 to 29<sup>th</sup> of September, 2020, and the company had



also appointed Mr. Rajeshwar Bhagat (DIN: 06892049) and Ms. Priyanka Rana as an Independent Directors under the Companies Act, 2013 for five (5) consecutive years for a term 30<sup>th</sup> September 2015 to 29<sup>th</sup> September 2020, not liable by rotation.

All Independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

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

During the year Mr. Rajeshwar Bhagat, Director of the Company resigned from the Board of the Company. The Board expressed its gratitude for their valuable contribution.

During the year company had appointed Mr. Paras Pant as an additional director on 10<sup>th</sup> February, 2016 and resigned from the Directorship of the Company from 29<sup>th</sup> June, 2016.

#### **17. BOARD EVALUATION**

Pursuant to the provision of section 134(3) of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, directors individually as well as the evaluation of Committees as per the criteria laid down in the Nomination Remuneration Evaluation policy. Further the Independent directors have also reviewed the performance of the Non-Independent Directors and Board as a whole including reviewing the performance of the Chairperson of the Company taken into account the views of the Executive Directors and Non Executive Directors vide their separate meetings.

#### **18. REMUNERATION POLICY**

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

#### **19. MEETINGS**

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

#### **20. AUDIT COMMITTEE**

SEBI vide its notification dated September 02, 2015 amended the existing Listing Agreement and bring in force SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from December 01, 2015. So, in order to align with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Audit Committee of the Company is re-constituted on 10<sup>th</sup> February, 2016 with the Objectives to monitor, supervise and effective management of company's finance, to ensure effective internal financial controls and risk management systems with high level of transparency and accuracy. The Committee met four times during the year, the details of which are given in the Corporate Governance Report that forms part of this Report.

<b>Name</b>	<b>Status</b>	<b>Category</b>
Ms. Snehlata Kaim	Chairperson	Independent Director
Mr. Pardeep Kumar	Member	Executive Director
Ms. Priyanka Rana	Member	Independent Director

#### **21. NOMINATION AND REMUNERATION COMMITTEE**

SEBI vide its notification dated September 02, 2015 amended the existing Listing Agreement and bring in force SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from December 01, 2015. So, in order to align with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of your Company in its meeting held on 10<sup>th</sup> February, 2016 re-constituted Nomination & Remuneration Committee with the requisite terms of the reference as required under section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

<b>Name</b>	<b>Status</b>	<b>Category</b>
Ms. Snehlata Kaim	Chairperson	Independent Director
Mr. Pardeep Kumar	Member	Executive Director
Ms. Priyanka Rana	Member	Independent Director

**22. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**23. DECLARATION BY INDEPENDENT DIRECTORS**

Both Independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

**24. RELATED PARTY TRANSACTIONS**

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. However, there were material related party transactions in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All material related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

**25. DEPOSITS**

The Company has not accepted deposits from public/members during the year under review and no amount on account of principal or interest on deposits was outstanding as on the date of the balance sheet.

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

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

**27. AUDITORS**

**i. STATUTORY AUDITORS**

M/s. Jagdish Sapra & Co.(Firm registration No: 001378N), have been appointed as statutory auditors of the company from this Annual General Meeting till the conclusion of the next Annual General Meeting.

**ii. SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Tanay Ojha (CP No.: 10790, ACS: 29658), Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure 1'.

**Qualification(s) and Directors' comments on the report of Practicing Company Secretary**

**As per the information and documents provided by the Management of the Company, the Company has not appointed a Company Secretary as per the provisions of Section 203 of the Companies Act, 2013.**

**Directors' Comment:** As the Companies Act, 2013 has been implemented in financial year 2014-15, demand for Company Secretaries had 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 qualified candidate for the requisite post at the earliest.

**28. CORPORATE GOVERNANCE**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report on Corporate Governance together with Auditor's Certificate on compliance with this regard and CFO's/ CEO declaration in this regarding compliance of Code of Conduct by Board Members and Senior Management Personnel is attached and forms part of this Report.

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

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

**30. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure 2" in accordance with Section 92(3) of the Companies Act, 2013.

**31. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

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

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

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

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

**32. LOANS, GUARANTEES OR INVESTMENT**

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

**33. PREVENTION OF SEXUAL HARASSMENT POLICY**

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the

Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2015-2016, no complaints were received by the Company related to sexual harassment.

**34. ACKNOWLEDGEMENTS**

The company has been very well supported from all quarters and therefore your Directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers and others associated with the Company.

Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation.

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

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

Date: 01/09/2016  
Place: New Delhi

Sd/-  
**Snehlata Kaim**  
**CHAIRPERSON**  
**DIN: 06882968**

**Annexure: As Stated below**

**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 Rs.)

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.	Currency : Indian Rupee Exchange Rate : 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

**Notes: The following information shall be furnished at the end of the statement:**

- Names of subsidiaries which are yet to commence operations- Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year- Not Applicable

**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 associates/Joint Ventures	None
1	Latest audited Balance Sheet Date	31.03.2016
2	Shares of Associate/Joint Ventures held by the company on the year end	None
	No.	Not Applicable
	Amount of Investment in Associates/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	
	i) Considered in Consolidation	Not Applicable
	ii) Not Considered in Consolidation	Not Applicable

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

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

**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 arm's length transactions under third proviso thereto

1	<b>Details of contracts or arrangements or transactions not at arm's length basis</b>	None
a)	Name(s) of the related party and nature of relationship	Nil
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
2	<b>Detail of material contracts or arrangement or transactions at arm's length basis</b>	None
a)	Name(s) of the related party and nature of relationship	Not Applicable
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 : As Per Annexure 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

**Annexure 1**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.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** 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, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Rahul Merchandising Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015
- (vi) The Environment (Protection) Act, 1986

(vii) The EPF & Misc. Provisions Act, 1952;

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with BSE Limited;

**We further report that**

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

For **Tanay Ojha**,  
Practising Company Secretary

Sd/-  
CS Tanay Ojha  
ACS No.: 29658  
C P No.:10790

Place: Kanpur  
Date: 01/09/2016

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

**Annexure A**

**Qualifications/Observations on the Secretarial Audit:**

**COMPANY SECRETARIAL RELATED:**

1. The Company has not appointed Company Secretary as required under Section 203 of the Companies Act, 2013.



**Annexure B**

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**,  
Practising Company Secretary

Sd/-  
CS Tanay Ojha  
ACS No.: 29658  
C P No.:10790

Place: Kanpur  
Date: 01/09/2016

**Annexure B**  
**Form No. MGT-9**  
**EXTRACTS OF ANNUAL RETURN**

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L74899DL1993PLC052461
Registration Date	09/03/1993
Name of the Company	Rahul Merchandising Limited
Category / Sub-Category of the Company	Company having share capital/Indian non-Government Company
Address of the Registered Office and contact details	204, Siddhartha Building, 96, Nehru Place, New Delhi-110019 Ph no. : 011-26212294
Whether listed company	Yes, BSE Limited
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Skyline Financial Services Private Limited D-153, 1 <sup>st</sup> Floor, Okhla Ind. Area, Phase-1, New Delhi-110020 Tel No. : 011-26812682/3

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

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

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

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

Sl. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	None				
2.	None				

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

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	724200	NIL	724200	20.61	724200	NIL	724200	20.61	NIL
b) Centra l Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp	289600	NIL	289600	8.25	289600	NIL	289600	8.25	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total(A)(1):-</b>	<b>1013800</b>	<b>NIL</b>	<b>1013800</b>	<b>28.86</b>	<b>1013800</b>	<b>NIL</b>	<b>1013800</b>	<b>28.86</b>	<b>NIL</b>

**RAHUL MERCHANDISING LIMITED**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) Foreign</b>									
g) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
j) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
k) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total(A)(2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total shareholding of Promoter(A) = (A)(1)+(A)(2)</b>	<b>1013800</b>	<b>NIL</b>	<b>1013800</b>	<b>28.86</b>	<b>1013800</b>	<b>NIL</b>	<b>1013800</b>	<b>28.86</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	NIL	300	300	0.01	NIL	300	300	0.01	NIL
b) Banks / FI	400	NIL	400	0.01	400	NIL	400	0.01	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	400	300	700	0.02	400	300	700	0.02	NIL
<b>Sub-total(B)(1)</b>	<b>400</b>	<b>300</b>	<b>700</b>	<b>0.02</b>	<b>400</b>	<b>300</b>	<b>700</b>	<b>0.02</b>	<b>NIL</b>
2. Non Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
(i) Indian	1178248	17300	1195548	34.04	1178248	17300	1195548	34.04	NIL
(ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	33002	403100	436102	12.42	35602	400500	43610	12.42	0
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	145000	679900	824900	23.48	145000	679900	824900	23.48	0
c) Others(Specify)	0	0	0	0	0	0	0	0	0
NRIs	0	11100	11100	0.32	0	11100	11100	0.32	0
Hindu Undivided Family	30100	0	30100	0.86	0	30100	30100	0.86	0
<b>Sub-total(B)(2)</b>	<b>1388950</b>	<b>1108800</b>	<b>2497750</b>	<b>71.12</b>	<b>1388950</b>	<b>1108800</b>	<b>2497750</b>	<b>71.12</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2403150</b>	<b>1109100</b>	<b>3512250</b>	<b>100.00</b>	<b>2403150</b>	<b>1109100</b>	<b>3512250</b>	<b>100.00</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total(A+B+C)</b>	<b>2403150</b>	<b>1109100</b>	<b>3512250</b>	<b>100</b>	<b>2403150</b>	<b>1109100</b>	<b>3512250</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Suresh Mansharamani	492600	14.02	Nil	492600	14.02	Nil	Nil
2.	Uma Mansharamani	224100	6.38	Nil	224100	6.38	Nil	Nil
3.	Reliable Engineering Pvt Ltd	289600	8.25	Nil	289600	8.25	Nil	Nil
4.	Veena Balani	2500	0.07	Nil	2500	0.07	Nil	Nil
5.	Anoop Kumar Gajwani	2500	0.07	Nil	2500	0.07	Nil	Nil
6.	Beena Jotwani	2500	0.07	Nil	2500	0.07	Nil	Nil
	Total	1013800	28.86	Nil	1013800	28.86	Nil	Nil

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

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

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Carnation Commodities P Ltd	633350	18.03	633350	18.03
2	Dev Prashad Sharma	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	147500	4.20	147500	4.20
6	Hemant Dembla	85000	2.42	85000	2.42
7	Kushal Kumar Lunawat	63100	1.80	63100	1.80
8	Meghna Dembla	65000	1.72	60500	1.72
9	Harish Chandra Bader	49900	1.42	49900	1.42
10	Kushal Chand Bader	49600	1.41	49600	1.41

## RAHUL MERCHANDISING LIMITED

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No Change during the Year			
	Data wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat / equity etc.)	None			
	At the end of the year	No Change during the Year			

### (v) INDEBTEDNESS

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

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

### (vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
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				

**RAHUL MERCHANDISING LIMITED**

**B. Remuneration to other directors :**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors • Free for attending board / committee meetings • Commission • Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2.	Other Non-Executive Directors • Free 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**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	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	Nil	Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961				
	Stock Option	Nil	Nil	Nil	Nil
	Sweat Equity	Nil	Nil	Nil	Nil
	Commission				
	-as % of profits				
	-others, specify..	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

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

**The company**

Good corporate governance is about maximizing shareholder value on a sustainable basis while ensuring fairness to all stakeholders: Customers, vendor-partners, Investors, Employees, Government and Society.

The Company believes that Corporate Governance is a set of processes, customs, policies, rules, regulation and laws for ensuring transparency, professionalism and accountability in its dealings with its customers, principal, employees, shareholders and with every individual who comes in contact with the Company. The Company's philosophy on Corporate Governance is bounded upon a rich legacy of fair ethical governance practices which has been in practice since the beginning. In fact the company has long been a staunch supporter of this code even before it became mandatory. Integrity, transparency, accountability and compliance with laws which are columns of good governance have always been the hallmark of company. The Company is in full compliance with the requirements of Corporate Governance under regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations and in this regard, submits a report on the matters mentioned in the said clause and also the practices followed by the Company as stated below:

**BOARD COMPOSITION**

**Size and Composition of Board of Directors**

The composition of Board of Director's as detailed below is in conformity with regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sl. No.		DIN	Category
1	Mr. Pardeep Kumar	02940382	Whole Time Director & CFO
2	Mr. Himashu Chandani	06735022	Independent Director
3	Ms. Snehlata Kaim	06882968	Independent Director
4	Ms. Priyanka Rana	07317239	Independent Director
5	Mr. Rajeshwar Bhagat*	06892049	Independent Director
6	Mr. Paras Pant**	07363774	Additional Director

\*Mr. Rajeshwar Bhagat has resigned w.e.f. 10.02.2016

\*\*Mr. Paras Pant has resigned w.e.f. 29.06.2016

**Board of Directors**

- i. The Company has 4 Directors of which 1 is an Executive Director and 3 are Non-Executive Independent Directors as on March 31, 2016. The composition of the Board is in conformity with regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanship /Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of Private Limited Companies, section 8 companies, and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

Name of Director	Number of the board of meetings held during the year 2015-16		Whether attended last AGM held on 30 <sup>th</sup> September, 2015	No. of Directorship in other Companies
	Held	Attended		
Mr. Pardeep Kumar	6	6	Yes	5
Mr. Himashu Chandani	6	6	Yes	Nil
Ms. Snehlata Kaim	6	6	Yes	Nil
Ms. Priyanka Rana	6	3	Yes	Nil
Mr. Rajeshwar Bhagat*	6	4	Yes	Nil
Mr. Paras Pant**	6	1	No	Nil

\*Mr. Rajeshwar Bhagat has resigned w.e.f. 10.02.2016

\*\*Mr. Paras Pant has resigned w.e.f. 29.06.2016

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) Rule 2014

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

- |                                   |                                   |
|-----------------------------------|-----------------------------------|
| - 27 <sup>th</sup> May, 2015      | - 8 <sup>th</sup> August, 2015    |
| - 28 <sup>th</sup> August, 2015   | - 05 <sup>th</sup> November, 2015 |
| - 10 <sup>th</sup> February, 2016 | - 1 <sup>st</sup> March, 2016     |

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

The company has formulated a policy to familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes. The details of such familiarization programmes are disclosed in the website of the company.

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

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

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

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

#### **BOARD COMMITTEES**

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

#### **AUDIT COMMITTEE**

The audit committee was reconstituted in accordance with the provisions of Companies Act, 2013 and regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The major tasks performed by the audit committee may be grouped under the following heads:

Statutory audit, internal audit, reporting and other aspects

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



**Audit & other duties**

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

Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2015-16 are given below:

Name	Status	Category	No of Meetings Attended during the year 2015-16
Ms. Snehlata Kaim	Chairperson	Independent Director	4
Mr. Pardeep Kumar	Member	Executive Director	4
Ms. Priyanka Rana.	Member	Independent Director	4

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

- 27<sup>th</sup> May, 2015 - 08<sup>th</sup> August, 2015 - 05<sup>th</sup> November, 2015 - 10<sup>th</sup> February, 2016

**NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee was reconstituted in accordance with the provisions of Companies Act, 2013 and regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the committee are as follows:

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

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

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

The committee meeting was held on 10.02.2016. The committee meeting was chaired during the year by Ms. Snehlata Kaim who has been appointed as chairman. The details of the composition of the Nomination and Remuneration Committee are as under:

NAME	Status	CATEGORY	No. of meeting during the year 2015-16	
			Held	Attended
Ms. Snehlata Kaim	Chairperson	Non Executive Independent Director	1	1
Mr. Himanshu Chandani	Member	Non Executive Independent Director	1	1
Ms. Priyanka Rana	Member	Non Executive Independent Director	1	1

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholder Relationship Committee was reconstituted in accordance with the provisions of Companies Act, 2013 and regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Company.

The Committee performs following functions:

1. Transfer/Transmission of shares
1. Issue of Duplicate Share Certificates.
2. Review of Share dematerialization and rematerialization.
3. Monitoring the expeditious Redressal of Investor Grievances.
4. Monitoring the performance of company's Registrar & Transfer Agent.
5. All other matters related to the shares.

During 2015-16 the committee was chaired by Ms. Snehlata Kaim. At present the committee comprises of two Non-Executive Independent Directors and one Executive director. One meeting was held as under:

1<sup>st</sup> March, 2016

The details of composition of the Committee are as under:

NAME	Status	CATEGORY	No. of meeting during the year 2015-16	
			Held	Attended
Ms. Snehlata Kaim	Chairperson	Independent Director	1	1
Mr. Pardeep Kumar	Member	Executive Director	1	1
Ms. Priyanka Rana.	Member	Independent Director	1	1

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

No complaints were received from the shareholders during the year.

**INDEPENDENT DIRECTOR'S MEETING**

During the year under review, the Independent Directors met on March 01<sup>st</sup>, 2016, inter alia to discuss:

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

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

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

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

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

- c. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - i. Qualification, expertise and experience of the Directors in their respective fields;
  - ii. Personal, Professional or business standing;
  - iii. Diversity of the Board.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

## **2. Remuneration**

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

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

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

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

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

Remuneration for the Managing Director or Whole Time Director

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

**REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES**

- I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and senior officers just below the board level) the Committee shall ensure / consider the following:
  - i. the relationship of remuneration and performance benchmark is clear;
  - ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
  - iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.
- II. The Managing Director or Whole Time Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors and thereafter shall recommend the annual increment and performance incentive to the Committee for its review and approval.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

**RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

**PREVENTION OF INSIDER TRADING**

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

**Disclosures**

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

In accordance with requirement of Companies Act as well as 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 Chairman of the Audit Committee of the Company to report any grievance. A link to such policy is also provided in the website of the company.

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

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

**Compliance with Accounting Standards**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs.

## RAHUL MERCHANDISING LIMITED

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The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

### GENERAL BODY MEETING

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

Financial Year	Location of the Meeting	Date	Time
2014-15	1508-9, Gali No-3, Wazir Nagar, Kotla Mubarakpur, New Delhi-110003	30/09/2015	11:00 A.M.
2013-14	No. 18, Basement NRI Complex, Greater Kailash, Part-VI, Delhi-110019	13/09/2014	03:30 P.M.
2012-13	No. 18, Basement NRI Complex, Greater Kailash, Part-VI, Delhi-110019	26/09/2013	10:00 A.M.

No Extraordinary General Meetings of the Members was held during the year 2014-15.

No resolution was passed through postal ballot last year.

### MEANS OF COMMUNICATION

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

### SHAREHOLDER INFORMATION

#### Registered Office

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

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

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

#### Registrar and Transfer Agent

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

#### Skyline Financial Services Private Limited

D-153, 1<sup>st</sup> Floor, Okhla Ind. Area, Phase-1, New Delhi-110020

Telephone No: 011-26812682/3

Fax: 011-30857562

E Mail: [admin@skylinerta.com](mailto:admin@skylinerta.com)

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

### Compliances

#### Mandatory Requirements

The Company has fully complied with the applicable mandatory requirements of regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital for the quarter ended March 2015, June 2015, September 2015 is being carried out by **M/S Parveen Rastogi & Co.** (CP No.:2883, FCS: 4764) Company Secretaries and for quarter ended December 2015 by HM & Co. (CP No.: 15106, ACS: 36956) with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited.

A secretarial audit report for the year 2015-16 carried out by **Mr. Tanay Ojha** (ACS: 29658, CP No.:10790), Company Secretaries is annexed to the Directors Report and forms a part of the Annual Report.

#### Adoption of non-mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### Shareholders Rights:

## RAHUL MERCHANDISING LIMITED

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

### Audit Qualification :

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

### Separate posts of Chairman and CEO:

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

### Reporting of Internal Auditor:

The internal auditor reports to audit committee.

### General Shareholders Information

#### Annual General Meeting

Date : 26<sup>th</sup> September, 2016

Day : Monday

Time : 9.30 A.M

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

### FINANCIAL CALENDAR

- Financial Year : 1st April to 31st March
- For the year ended 31st March, 2015, results were announced on:
- August 2015 : First Quarter
- November 2015 : Second Quarter
- February 2016 : Third Quarter
- May 2016 : Audited Results

### Book Closure

The dates of book closure are from September 24, 2016 to September 26, 2016 (both days inclusive).

### LISTING ON STOCK EXCHANGE

BSE Limited

### SHARE TRANSFER SYSTEM

The Company's shares are available in demat mode. ISIN allotted to company is INE149D01011. The shares received for transfer in physical mode are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respect.

### MARKET PRICE DATA:

Shares of the Company are traded on BSE Ltd.

High and Low prices during the year were as:

Low Price: Rs. 8.92 on 23.04.2015

High Price: Rs. 11.36 on 24.01.2015

### Distribution of Shareholding as on 31st March, 2016

Shareholding of Nominal value of Rs. 10/-	No. of Shareholders	% of Shareholders	No. of Shares held	Amount	% to total
Upto 5000	1071	96.23	388038	3880380	11.05
5001 to 10000	11	0.98	70900	709000	2.02
10001 to 20000	08	0.72	117562	1175620	3.35
20001 to 30000	05	0.45	128300	1283000	3.65
30001 to 40000	03	0.27	99500	995000	2.83
40001 to 50000	04	0.36	187700	1877000	5.34
50001 to 100000	03	0.27	208100	2081000	5.92
100001 and above	08	0.72	2312150	23121500	65.83
<b>Total</b>	<b>1113</b>	<b>100</b>	<b>3512250</b>	<b>35122500</b>	<b>100</b>

**RAHUL MERCHANDISING LIMITED****Categories of Equity shareholder as on March 31, 2016**

	<b>Category</b>	<b>No. of Shares</b>	<b>% of Holding</b>
<b>1.</b>	<b>Promoters Holding</b>		
	i. Promoters -Indian Promoters	1013800	28.86
	- Foreign Promoters	-	-
	ii. Persons acting in concert	-	-
	<b>Sub Total</b>	<b>1013800</b>	<b>28.86</b>
<b>2.</b>	<b>Non Promoters Holding</b>		
	<b>1. Institutions</b>	-	-
	i. Mutual Fund and UTI	300	0.01
	ii. Banks, Financial Institutions, Insurance Companies	400	0.01
	iii. Central/ State Govt. Institutions/ Non Govt. Institutions	-	-
	iv. FII's	-	-
	<b>Sub Total</b>	<b>700</b>	<b>0.02</b>
	<b>2. Non Institutions</b>		
	i. Bodies Corporate	819983	23.35
	ii. Indian Public	1677666	47.77
	iii. NRI's/OCB's	-	-
	iv. Any Other (HUF/Firm/Forien Companies) Clearing Member	101	0.00
	<b>Sub Total</b>	<b>2497750</b>	<b>71.12</b>
	<b>Grand Total</b>	<b>3512250</b>	<b>100</b>

**Physical/NSDL/CDSL/Summary Report as on 31st March, 2016**

<b>Particulars</b>	<b>Shares</b>	<b>Percentage(%)</b>
Physical	1108800	31.57
NSDL	1394476	39.76
CDSL	1008974	31.58
<b>Total</b>	<b>3512250</b>	<b>100.00</b>

**Address of Correspondence  
Shareholder may Contact:  
Mr. Pardeep Kumar  
(Director & Compliance Officer)**

**Rahul Merchandising Limited  
204, Siddhartha Building,  
96, Nehru Place,  
New Delhi-110019  
Email id: [rahulmerchandising@gmail.com](mailto:rahulmerchandising@gmail.com)  
Website: [www.rahulmerchandising.com](http://www.rahulmerchandising.com)**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **INDUSTRY OUTLOOK**

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

### **OPPORTUNITY**

Textile manufacturing and trading is emerging as an 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.

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

The financial statements have been prepared in accordance with the requirements of the Companies Act, 2013 and applicable accounting standards issued by the Institute of Chartered Accountants of India. The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Accounts and other financial statements forming part of this annual report.

### **HUMAN RESOURCE DEVELOPMENT**

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potential of its employees attracting and retaining the best manpower available by providing high degree of motivation.

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

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

**Rahul Merchandising Limited**

Date: 01/09/2016

Sd/-

Place: New Delhi

**Snehlata Kaim**  
**CHAIRMAN**



**AUDITOR'S CERTIFICATE**

**(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 compliance of conditions of Corporate Governance by **Rahul Merchandising Limited** for the year ended March 31, 2016 stipulated in Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchanges.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the condition of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has fully complied with all the mandatory conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**Place: New Delhi  
Dated: 26/05/2016**

**Sd/-  
CA Vipal Kalra  
Partner  
Membership No. 084583**

## CEO/CFO Certification

**To**

The Board of Directors

**Rahul Merchandising Limited**

Dear Members of the Board,

I, Pradeep Kumar, Chief Financial Officer of **Rahul Merchandising Limited**, to the best of our knowledge and belief, certify that:

1. I have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's report.
2. These Statement do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's audit Committee of the Board of Directors.
5. We have also indicated to the Auditors and the Audit Committee
  - Significant changes in Internal Controls with respect to financial reporting during the year.
  - Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.
6. To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

## COMPLIANCE WITH CODE OF CONDUCT

I, Pradeep Kumar, the Whole Time Director of the Company hereby certify that all the Board Members and Senior Management Personnel of the company have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the company pursuant to the requirements of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

**Sd/-**  
**Pardeep Kumar**  
**Whole Time Director / CFO**

**Place: New Delhi**

**Dated: 26-05-2016**

## **INDEPENDENT AUDITORS' 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, 2016, 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 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.

### **Auditor's 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, but not for the purpose of expressing an opinion on whether the Company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, 2016 and its profit 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 2016 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.

**For Jagdish Sapra & Co  
Chartered Accountants  
(Firm Registration No. 001878N)**

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

**Place: New Delhi  
Date: 26.05.2016**

#### **Annexure to the Independent Auditors' Report**

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

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular program of physical verification of its fixed assets through which all fixed assets are verified, in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification as carried out under the above program during the current year.
- c) The title deeds of immovable properties are held in the name of the Company.
- ii. The inventories except goods in transit have been physically verified by the management at reasonable intervals during the year, and no material discrepancies were noticed on physical verification.
- 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, in respect of loans, investments, guarantees and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

## RAHUL MERCHANDISING LIMITED

- 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. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company prescribed by the Central Government under Section 148 (1) of The Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- 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. 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 has not defaulted in repayment of dues to banks, financial institutions and Government. The Company has not obtained any borrowings by way of debentures.
- ix. In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which they were raised. 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, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 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 (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  
Chartered Accountants  
(Firm Registration No. 001878N)**

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

**Place: New Delhi  
Date: 26.05.2016**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

In Rupees

		NOTE	As at 31.03.2016	As at 31.03.2015
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>1 SHAREHOLDERS' FUNDS</b>			
	(a) Share capital	<b>2</b>	35122500	35122500
	(b) Reserves and surplus	<b>3</b>	(15374798)	(15097198)
			<b>19747702</b>	<b>20025302</b>
	<b>2 CURRENT LIABILITIES</b>			
	(a) Short-term borrowings	<b>4</b>	59728561	59728561
	(b) Trade payables	<b>5</b>	289328	32598
			<b>60017889</b>	<b>59761159</b>
	<b>TOTAL</b>		<b>79765591</b>	<b>79786461</b>
<b>II</b>	<b>ASSETS</b>			
	<b>1 CURRENT ASSETS</b>			
	(a) Trade receivables	<b>6</b>	79745216	79745216
	(b) Cash and cash equivalents	<b>7</b>	5514	26384
	(c) Short term loan & advances	<b>8</b>	14861	14861
			<b>79765591</b>	<b>79786461</b>
	<b>TOTAL</b>		<b>79765591</b>	<b>79786461</b>

**SIGNIFICANT ACCOUNTING POLICIES**

1

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

In terms of our report attached

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

For **JAGDISH SAPRA & CO**  
Chartered Accountants  
(Firm Registration No. 001378N)

**Vipal Kalra**  
Partner

**(ParasPant)**  
Director  
DIN:07363774

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

Place: New Delhi  
Dated: 26.05.2016

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2016**

In Rupees

		NOTE	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>I</b>	<b>Income from operations</b>	<b>9</b>	52000	0
<b>II</b>	Total Revenue		<b>52000</b>	<b>0</b>
<b>III</b>	<b>EXPENSES:</b>			
<b>c</b>	Other expenses	<b>10</b>	329600	222155
	Total expenses		<b>329600</b>	<b>222155</b>
<b>IV</b>	<b>Profit /(Loss) Before tax (II-III)</b>		<b>(277600)</b>	<b>(222155)</b>
<b>V</b>	<b>Tax expense:</b>			
<b>a</b>	Earlier years tax			139
<b>VI</b>	<b>Profit/(Loss) for the year(IV-V)</b>		<b>(277600)</b>	<b>(222294)</b>
<b>VII</b>	<b>Earning per equity share:</b>	<b>19</b>		
<b>a</b>	Basic		(0.08)	(0.06)
<b>b</b>	Diluted		(0.08)	(0.06)

**SIGNIFICANT ACCOUNTING POLICIES**

1

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

In terms of our report attached

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

For **JAGDISH SAPRA & CO**  
Chartered Accountants  
(Firm Registration No. 001378N)

**Vipal Kalra**  
Partner

**(ParasPant)**  
Director  
DIN:07363774

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

Place: New Delhi  
Dated: 26.05.2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016**

In Rupees

		2015-16		2014-15	
<b>(A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net profit/ (Loss) before tax	(277600)		(222155)	
	Adjustment for :				
	Taxes paid	0		(139)	
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(277600)</b>		<b>(222294)</b>	
	(Increase)/ Decrease in Sundry Debtors	0		3635615	
	Decrease/(Increase) in Other Receivables	0		0	
	(Decrease)/ Increase in Payables	256730		(3430663)	
	<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>(20870)</b>		<b>(17342)</b>
<b>(B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of Fixed assets	0		0	
	Proceeds from sale of Fixed Assets	0		0	
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>0</b>		<b>0</b>
<b>(C)</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
	Net proceeds of short term borrowings	0		(4800)	
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>0</b>		<b>(4800)</b>
	<b>NET INCREASE /(DECREASE )IN CASH AND CASH EQUIVALENTS</b>		<b>(20870)</b>		<b>(22142)</b>
	<b>CASH AND CASH EQUIVALENTS AS AT OPENING</b>		<b>26384</b>		<b>48526</b>
	<b>CASH AND CASH EQUIVALENTS AS AT CLOSING</b>		<b>5514</b>		<b>26384</b>

**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.

As per our report of even date

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

For **JAGDISH SAPRA & CO**  
Chartered Accountants  
(Firm Registration No. 001378N)

**Vipal Kalra**  
Partner

Place: New Delhi  
Dated: 26.05.2016

**(ParasPant)**  
Director  
DIN:07363774

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



**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 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**

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

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

d) **Investments**

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

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

e) **Revenue Recognition**

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

f) **Inventories**

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

g) **Foreign Exchange Transactions**

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

h) **Taxation**

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

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

i) **Impairment of Assets**

Regular review is done to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any such indication exists, impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books

of accounts. In case there is any indication that an impairment loss recognized for an asset in prior accounting periods no longer exists or may have decreased, the recoverable value is reassessed and the reversal of impairment loss is recognized as income in the Statement of Profit and Loss.

**j). Provisions and Contingencies**

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made.

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

**k) Other Accounting Policies**

These are consistent with generally accepted accounting practices.

**2 SHARE CAPITAL:**

PARTICULARS	AS AT	AS AT
	31.03.2016	31.03.2015
<b>AUTHORISED:</b>		
80,00,000 Equity Shares of Rs. 10/- each	80000000	80000000
2,00,000 Preference Shares of Rs. 100/- each	20000000	20000000
	<b>100000000</b>	<b>100000000</b>
<b>ISSUED,SUBSCRIBED AND PAID UP</b>		
35,12,250 Equity Shares of Rs. 10/- each fully paid up(including 100000 equity shares of Rs.10/- each allotted for consideration other than cash).	35122500	35122500
	<b>35122500</b>	<b>35122500</b>

The Company has issued one class of Equity Shares having a par value of Rs. 10/-each.

Each holder of equity shares is entitled to one vote per share.

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

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

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

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	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

**RAHUL MERCHANDISING LIMITED**

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 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	3512250	35122500	3512250	35122500
Changes during the year	0	0	0	0
Number of shares at the end	3512250	35122500	3512250	35122500

**3 RESERVES & SURPLUS:**

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
<b>Debit Balance in Statement of Profit and Loss:</b>		
As per last Balance Sheet	(15097198)	(14874904)
Add: Net Profit /(Loss) after tax transferred from Statement of Profit & Loss	(277600)	(222294)
	<b>(15374798)</b>	<b>(15097198)</b>

**4 SHORT TERM BORROWINGS:**

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Loans from related parties-Unsecured	59728561	59728561
	<b>59728561</b>	<b>59728561</b>

**5 TRADE PAYABLES:**

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Sundry creditors:		
- Micro, Small and Medium Enterprises (Refer Note 21)	0	0
- Others	289328	32598
	<b>289328</b>	<b>32598</b>

**6 TRADE RECEIVABLES:**

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Unsecured, Considered good:		
Over Six months	79745216	79745216
Others	0	0
	<b>79745216</b>	<b>79745216</b>

**7 CASH AND CASH EQUIVALENTS :**

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Balances with Banks:		
In Current accounts	4874	5037
(b) Cash on hand (as certified)	640	21347
	<b>5514</b>	<b>26384</b>

**8 SHORT TERM LOAN & ADVANCES:**

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Mat credit entitlement	14861	14861
	<b>14861</b>	<b>14861</b>

**9 INCOME FROM OPERATIONS**

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Commission	52000	0
	<b>52000</b>	<b>0</b>

**10 OTHER EXPENSES:**

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Payment to the auditors:		
As Auditor	22900	22472
Membership & Subscription	244425	112360
Miscellaneous expenses	62275	87323
	<b>329600</b>	<b>222155</b>

**11. Contingent Liabilities for :**

Claims against the company not acknowledged as debts Rs 4891/- (Rs NIL) 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.

19. Earning per share (EPS)	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
– Profit after tax as per Profit & Loss Account (A)	(277600)	(222294)
– Basic/Weighted Average Number of Equity Shares outstanding (B)	3512250	3512250
– Nominal value of equity shares	Re.10/- each	Rs.10/- each
– Basic/Diluted Earnings per share (A)/(B)	(0.08)	(0.06)

**RAHUL MERCHANDISING LIMITED**

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

<b>a) Gross Income</b>	<b>Year ended 31.3.2016 Rs.</b>	<b>Year ended 31.3.2015 Rs.</b>
<b>i) C I F value of imports</b>	0	(0)
<b>ii) Expenditure in foreign currency</b>	0	(0)
<b>iii) Earning in Foreign Exchange</b>	0	(0)

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

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

**22.** Notes 1 to 22 form an integral part of Balance Sheet & Statement of Profit & Loss and have been duly authenticated.

In terms of our report attached

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

For **JAGDISH SAPRA & CO**  
Chartered Accountants  
(Firm Registration No. 001378N)

**Vipal Kalra**  
Partner

**(ParasPant)**  
Director  
DIN:07363774

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

Place: New Delhi  
Dated: 26.05.2016

# RAHUL MERCHANDISING LIMITED

CIN: L74899DL1993PLC052461

**Registered Office:** 204, Siddhartha Building, 96, Nehru Palace, New Delhi-110019

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

## ATTENDANCE SLIP

### 23rd Annual General Meeting

I/we hereby confirm and record my/our presence at the 23rd Annual General Meeting of Rahul Merchandising Limited to be held on 26th day of September, 2016 at 09.30 A.M. at Registered office 204, Siddhartha Building, 96, Nehru Palace, New Delhi-110019.

Folio No.:	DP ID*	Client ID*
Full name and address of the Shareholder/ Proxy Holder (in block letters)		
Joint Holder 1		
Joint Holder 2		
No. of Shares Held		
Signature of Shareholder/Proxy		

**Note:**

Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and handover at the entrance of the premise.

\*Applicable for shareholders holding shares in electronic form.

## E-VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD
105411		

**Note:-**

Please read instructions given in the Notice of 23rd Annual General Meeting of the Company before casting your vote through e-voting.

# RAHUL MERCHANDISING LIMITED

CIN: L74899DL1993PLC052461

Registered Office: 204, Siddhartha Building, 96, Nehru Palace, New Delhi-110019

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

## PROXY FORM

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

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

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

- 1) Name.....Address:.....  
E-mail Id:.....Signature:.....or failing him
- 2) Name.....Address:.....  
E-mail Id:.....Signature:.....or failing him
- 3) Name.....Address:.....  
E-mail Id:.....Signature:.....or failing him

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the Annual General Meeting of the company to be held on Monday, the 26th day of September, 2016 at 09.30 A.M at and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution	Assent	Dissent
	<b>Ordinary Business:</b>		
1.	Adoption of Audited financial Statements of the Company for the year ended on 31st March, 2016 together with the Report of the Directors and Auditors' thereon.		
2.	Re-appointment of Mr. Pardeep Kumar (DIN: 02940382) who retires by rotation		
3.	Appointment of Auditors M/s. Jagdish Sapra & Co.(Firm registration No: 001378N), Chartered Accountants and fixing their remuneration		

Signed this.....day of.....2016

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

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

Affix  
Revenue  
Stamp

### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company not less than 48 hours before commencement of the meeting.
2. A proxy need not be a member of the Company. Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as proxy, who shall not act as proxy for any other member.

**BOOK POST**

*If Undelivered, please return to:*

**RAHUL MERCHANDISING LIMITED**

204, Siddhartha Building, 96,

Nehru Palace, New Delhi-110019

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

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